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Japan

Decontrol Urged Before Opening of Rice Market

OW1112103392 Tokyo KYODO in English 0659 GMT 11 Dec 92

[By Keiko Tatsuta]

[Text] Tokyo, Dec. 11 KYODO—Japan's rice farmers want the government to relax controls on the rice crop before it scraps the import ban. "We cannot stop the trend toward liberalizing the import of rice. But first, the domestic system must be totally overhauled," said Katsumi Suzuki, who farms nine hectares in Chiba Prefecture, east of Tokyo.

"After that, let's say to basically open the rice market with 700 percent or 650 percent tariffs. That would make sense."

Citing the example of Japan's beef and citrus fruit markets, which have been liberalized, Suzuki said, "The government continued saying up to the last minute it would not open the markets, then suddenly opened them. That's treachery. I'm afraid it will be the same with rice."

Japan liberalized the import of beef and citrus products in April, 1991 under pressure from the United States, on condition that Japan could impose high tariffs on beef imports for several years. The tariffs, which had been 70 percent, were cut by 10 percentage points in the current fiscal year, which started April 1, and will be reduced a similar amount next year. Suzuki believes Japanese farmers already sense that rice imports will be freed sooner or later despite the government's official commitment to stick to its rice import ban.

Shinji Katsumata, who farms 14 hectares of paddy in Chiba Prefecture, also expressed lack of trust in the administration, which he said takes action after things happen and, what is worse, at the very last moment. "Domestic production and sales of rice must be freed more. What if foreign rice came in here, where there's a ceiling on production?"

Farmers cannot make plans for the future under the current administration, and are only managing to hold their own, Katsumata said. The government controls rice crops—from production, pricing, and distribution to import and export—in accordance with the Staple Food Control Act, enacted in 1942 to ensure a supply of food during the war.

"I oppose imports. They mean trouble. But if we cannot avoid importing foreign rice in future, highly motivated farmers should be first allowed to do what they want," Katsumata said.

Japan is now under increasing pressure from abroad to open its rice market as the Uruguay Round of multilateral trade talks under the General Agreement on Tariffs and Trade (GATT) have again picked up momentum. A conclusion to the talks by the year-end is in sight after the United States and the European Community struck a final agreement earlier this month on farm export subsidies.

The Japanese Government has many times reiterated its total rejection of a GATT proposal to include rice in replacement of import barriers with tariffs, called tariffication, stressing the need for Japan to be self-sufficient in its staple food, and said it will not consider any compromise or conditions.

Some government officials, however, have begun to hint that Japan will have to accept the plan to drop the rice import ban so as not to be isolated internationally and blamed for the collapse of the global trade talks.

Farmers have prepared to protect themselves against the flow of foreign rice, said Jun Seimiya, who started rice farming with five hectares of his own and gradually expanded by leasing 13 more hectares in Chiba Prefecture, paying the rent with great effort out of money made on his crop.

Seimiya described the latest visit of Agriculture, Forestry, and Fisheries Minister Masami Tanabu to the United States and Europe as a show to make "an excuse" to farmers. "I cannot help wondering whether the government really has any intention to protect Japan's rice farming," he said.

Seimiya urged immediate improvement by the government in agricultural infrastructure such as drainage and paddy readjustment if the rice market is going to be opened.

Shinichiro Hiraishi, who farms 10 hectares in Niigata Prefecture, one of the nation's famous rice-farming areas on the coast of the Sea of Japan, stressed the need for immediate agricultural reform to prepare for the market liberalization. He said he believes the market will be opened in future.

While basically wishing to block liberalization, Hiraishi, who is also chairman of a national rice crop management council, wants the government and politicians to tell farmers the truth, and not to try to please them with honeyed words. Hiraishi blamed the traditional farm administration for the present decline of agriculture in Japan, saying he had insisted on the need for reform for more than two decades.

Chiba's Katsumata painted a bleak picture for the outlook of Japan's agriculture, predicting that it might be ruined some day because of a lack of successors.

Seimiya was less pessimistic, saying, "farmers with guts will survive, regardless of the government regulations."

Accord Reached With U.S. on AWACS Purchase

OW1212013092 Tokyo KYODO in English 0103 GMT 12 Dec 92

[Text] Washington, Dec. 11 KYODO—Japan will buy up to four U.S.-made Airborne Warning and Control

System (AWACS) aircraft by fiscal 1995 under its five-year defense program, a senior Japanese defense official said Friday.

The Japanese Defense Agency will seek government appropriations next fiscal year for the first two Boeing-built planes, said Shigeru Hatakeyama, chief of the agency's defense policy bureau.

Hatakeyama announced the long-delayed go-ahead for the purchase after Japanese and U.S. defense officials settled on a price for the aircraft, the sole bottleneck in the negotiations.

He declined to give the exact price tag but said they will cost "somewhat" less than 60 billion yen each. The Defense Agency will submit its budgetary request for two AWACS planes in fiscal 1993 with the other two to be incorporated in the 1991-1995 national defense program, Hatakeyama said. The first plane is set to be delivered in early 1998, he said. The four AWACS planes earmarked for Japan are based on the Boeing 767 model, instead of the traditional B707, which Boeing said is out of production. Japanese sources said Boeing has previously set a price that "exceeds" 60 billion yen for a B767-based AWACS. The Japanese Defense Agency had originally based its AWACS purchase program on the older B707 model, priced at about 32 billion yen each. AWACS can guide fighter planes and warships by pinpointing enemy planes and ships up to 400 kilometers away. Hatakeyama said the two models are basically the same in terms of operation capabilities.

Foreign Minister Views Possible U.S. Visit

OW1212071992 Tokyo KYODO in English 0629 GMT 12 Dec 92

[Text] Tokyo, Dec. 12 KYODO—Foreign Minister Michio Watanabe suggested Saturday that visits by Emperor Akihito and Empress Michiko to Europe and North America are being contemplated. Watanabe made the remarks in a press conference following his retainment as foreign minister and deputy prime minister in the second cabinet of Prime Minister Kiichi Miyazawa, reorganized Friday.

Watanabe said Emperor Akihito's visits so far to Southeast Asia last year and to China earlier this year were highly successful in bringing Japan and Asian countries closer together. He said that imperial visits to such places as Europe and America "could probably be considered in the future."

Questioned on when he intends to visit the United States to discuss bilateral relations with the administration of President-elect Bill Clinton, Watanabe said he hopes such a visit could be realized as soon as possible. But he noted the Clinton transition team does not appear to be ready to welcome foreign dignitaries during the transition period.

Watanabe said he hopes Russian President Boris Yeltsin will visit Japan before the annual summit of the Group-of-Seven (G-7) major industrialized nations to be held in Tokyo in July 1993. He suggested Yeltsin's visit before the Tokyo summit would facilitate an environment in which he would be welcome to come again to meet with G-7 leaders after their summit talks.

Responding to a question about the Clinton administration's anticipated hard-line approach to China's human rights record, Watanabe cautioned against "rash" action against Beijing. Watanabe said that while Japan shares basic values with the U.S., it has a different view on how human rights in China can best be promoted. Japan, he said, has called on China [to] adopt policies that are not only in line with Beijing's own values, but those of the international community.

But Japan considers that the most effective way of improving the human rights situation there is to "warmly assist" China [to] succeed in its reforms and open-door policies.

"The opening of the Chinese economy and its promotion of economic reforms is already facilitating the incorporation of the principles of freedom and the free market," he said. "As the people's living standard rises, human rights will naturally come to be respected and democracy will take root."

Watanabe said Japan will seek the Clinton administration's understanding on this point, while explaining that Japan has a special obligation towards China because of the damage Japan's military inflicted on that country before and during World War II.

The foreign minister, speaking later in an interview with KYODO News Service, said Japan will be unable to send the Self-Defense Forces to Somalia as long as fighting continues there. Noting that Japanese soldiers participating in the United Nations peacekeeping operations in Cambodia may not carry heavy arms under Japanese law, he said it would be inappropriate to send soldiers "naked" to dangerous situations such as that in Somalia.

South Koreans Living in Sakhalin Request Help

OW1012122192 Tokyo KYODO in English 1210 GMT 10 Dec 92

[Text] Chiba, Dec. 10 KYODO—A group of South Koreans who remained in Sakhalin after being forcibly taken by Japan as laborers during World War II will submit a written request to Japan to help them return to South Korea, group officials said Thursday.

Pak Hae Dong [name as received], chairman of the Yuzhno-Sakhalinsk-based group of South Koreans in the Russian province, will submit the request Friday to the Foreign Ministry, the officials said. The group claims the Japanese Government bears responsibility for not allowing the South Koreans to return home despite some opportunities after the war. It calls on Tokyo to urge the

South Korean Government to provide land and houses for those wishing to return permanently. It says Japan should cover all expenses.

The group also urges Japan to calculate the reserves it forced the Koreans to save during the war, and interest. The officials said an increasing number of South Koreans left in Sakhalin are wishing for permanent return as they get older.

Among the 43,000 Koreans in Sakhalin, 13,484 want to go back, according to the group's survey. So far, some 170 have returned. The South Korean Government maintains the permanent returnees should not be an economic burden.

Pak, who arrived in Japan last Friday, attended an international symposium on women forced to provide sex to Japanese soldiers during World War II. He urged the Japanese Government to take measures as soon as possible, pointing out that some 300 people are dying every year.

Miyazawa Holds News Conference 12 Dec

OW1212093992 Tokyo NHK General Television Network in Japanese 0500 GMT 12 Dec 92

[News conference by Prime Minister Kiichi Miyazawa with unidentified reporters at the prime minister's official residence in Tokyo—live]

[Text] [Dean of the press corps] I would now like to begin a news conference with Prime Minister Miyazawa. On behalf of the press corps, I will first ask some questions about fundamental issues concerning domestic and foreign policy. After my questions, all reporters present here may freely ask questions. I would like to proceed with the news conference in this way. This news conference is expected to last approximately one hour.

My first question concerns the latest reshuffle of your cabinet. Mr. Prime Minister, you have said that you would reshuffle your cabinet based on the principle of ending factional, harmful effects and of placing the right person in the right post. Do you think that you carried this principle through when you reshuffled your cabinet? It seems to me that you had difficulty in keeping the factional balance and breaking the factional wall when you reshuffled your cabinet. I would like to have your view on these questions. I also would like to ask how you assess your cabinet reshuffle.

[Miyazawa] I did not expect any public praise for my cabinet reshuffle. After reading the newspapers this morning, however, I came to believe that my reshuffle was not so bad. In my opinion, the cabinet reshuffle was successful owing to cooperation from many quarters and I am satisfied with the results. We will have to build our nation into a new nation to prepare for the 21st Century. We are now in an era wherein the international community is working to build new post-cold war global peace and order. I reshuffled my cabinet with the intention of moving toward reform and policy implementation by rallying the capable people in my new cabinet. I think that I reshuffled my cabinet based on the principle of placing the right person in the right post. As for the criticism that the cabinet has been reshuffled with only the factional balance taken into consideration, I tried hard to avoid facing such criticism when I reshuffled it. I believe that each faction of our party cooperated with my efforts to defuse such criticism. Needless to say, in reality, factionalism still exists in our party and I think that such factionalism will gradually lose steam. I had no intention of totally ignoring the presence of factionalism in our party when I reshuffled my cabinet. Thus far, the cabinet has been reshuffled on the basis of factionalism. But I had no intention of ruling out the principle of placing the right person in the right post when I reshuffled it and I believe that I was able to reshuffle it based on the principle as I intended. As to the reshuffle of our party's executives, I think that the right people were appointed to the right posts.

[Dean of the press corps] The extraordinary Diet session that was called to probe the Sagawa scandal has come to a close. The people are increasingly voicing their demands for a probe into the scandal. Meanwhile, the people are also strongly demanding that former Prime Minister Takeshita resign from the Diet. Mr. Prime Minister, you have stressed the need to push for political reform. What do you think about this ethical political issue? How are you going to dispel public distrust in politics? I would also like to ask you how are you going to deal with the question of Mr. Takeshita's resignation.

[Miyazawa] In my policy speech to the Diet, I stated that the current public distrust in politics is unusual and unprecedented. In my policy speech, I stressed the need to dispel public distrust in politics. I feel the public irritation about politics keenly. As for the scandal, however, the law enforcement authorities have been investigating it and the Diet has received testimonies from witnesses or has questioned them. In this way, various procedures are being taken to probe the scandal. I believe that the people are irritated. As our nation has its Constitution, human rights must be respected, and law and order must be abided by.

Even if the people demand that someone be forced into resignation because he is a bad guy, their demands cannot be fulfilled so easily. I am well aware of the people's feelings and irritation. I think that politics should be in tune with their feelings and irritation. As you have just said in your question, I believe the public distrust in politics stems from the ethical problems of politicians and the delay in carrying out the political reform. I asked our party to work out a plan for a sweeping political reform within one year when I took office a year ago. During the past year, only slight progress was made in political reform because of the situation in the Diet. The Political Reform Headquarters of our party worked out a plan two days ago. As emergency measures, the plan calls for the reform of the electoral system in which one seat is added to each of nine populous lower house constituencies and one seat is eliminated from each of the 10 less populous lower house constituencies; and for the tight control of political funds. The latest extraordinary Diet session passed a bill related to political reform. I have been carrying out political reform as I promised publicly. The unfolding of the scandal has made it hard to dispel the public distrust in politics and I think that it is natural for the people to harbor distrust in politics. You asked about Takeshita in your question. As I have already stated in the Diet, the status of a politician is created by the relationship between the politician and the electorate who elected him, and the relationship is very sacred. I think that the principle, therefore, is that the politician himself must decide on his resignation. As for what should be the basis for his resignation, he was mandated by his electorate when he was elected. Is he able to fulfill that mandate? Is he able to fulfill his responsibility to his electorate? Does he find there are no conditions for fulfilling them? This is the basis for his judgment on resignation.

[Dean of the press corps] Mr. Prime Minister, as you have just said, your party worked out a plan for a sweeping reform of politics. The plan calls for the creation of 30 single-seat constituencies. How are you going to implement the plan?

[Miyazawa] My party worked out the plan in time as it promised and submitted it to me. The Political Reform Headquarters finished its work and the question is how we should implement it. Although I have yet to consult with the new leadership of the ruling party about the plan, I think that I, as the president and the chief of the Political Reform Headquarters of our party, must assume the responsibility for implementing the plan. I have to think of how and from whom I should solicit help. I intend to consult with the new leadership of my party. I intend to implement the plan as the chief of the Political Reform Headquarters.

[Dean of the press corps] A few days ago, your party said that it would introduce a bill to a regular Diet session. Will the bill be introduced to the Diet by the government or legislators?

[Miyazawa] No decision has been made on that matter. Other political parties also have their own bill and views, and we need to discuss that with other political parties. We intend to decide on how the bill should be introduced to the Diet based on the results of the discussions.

[Dean of the press corps] This is my last question concerning domestic policy. I would like to ask about the economic issue. The short-term economic outlook released in November by the Bank of Japan painted a very grim picture of Japan's economy. The economic recession is deepening. Some people advocate that the mood should be changed to turn the current economy around. To that end, others demand that interest rates be lowered, national bonds be issued to reduce the fiscal deficit, and income tax be cut. What measures do you have in mind to stimulate the current economy? I would like to hear your specific views on the question of cutting income tax and of issuing national bonds to reduce the fiscal deficit.

[Miyazawa] As for how the short-term economic outlook of the Bank of Japan should be viewed, the adjustment of inventory has substantially progressed to a point where the prospects for the elimination of inventory is in sight. This development, however, has not yet opened a bright outlook for business management. Much food in the stomach has been eliminated. Although the stomach has become light, it has yet to stimulate an appetite because of the long-standing full stomach. The adjustment of inventory should further progress. If the stomach is empty, it will lead to a decline in strength and a decrease in appetite. I intend to deal with the current economy with that point in mind. The latest extraordinary Diet session passed the supplementary budget and I expect that it will yield results during the second half of this fiscal year. The supplementary budget is said to have the effect of raising the GNP by 2.4 percent. I think that it will have a substantial effect on the economy.

Public works, in particular, will increase as a matter of course. Other things are...[changes thought] construction of houses will increase too. They will have certain effects in their own ways. But, after all, I think initial effects will not be felt unless we organize them in relation to a budget for fiscal 1993, or if we fail to introduce some follow-up measures to the comprehensive measure. This is one thing we have to take into consideration as we draw up the budget. In this connection, some people are talking about tax reduction, or income tax reduction.

I have said this several times at the Diet, but tax reduction itself is like politics. I am of the view that we should reduce taxes when we can. But, unfortunately, we are not in a situation in which we can do that right now. If it is a question of how we really can spend 2 or 3 trillion yen of financial resources, then I still think, as I said earlier, that we can get major effects stimulating the economy if we spend the money on public investments in central and local areas—which have high multiple effects; on substantiation of measures related to people's livelihood; or on loans to small-to-medium sized industries. Of course, we can think about the possibility of issuing deficit-covering bonds, as we have just discussed, and some supporters are calling for that.

However, we will set a bad example in drawing up the budget if we issue deficit-covering bonds. Once we issue deficit-covering bonds, we will be tempted to say to ourselves in the future that we can make money. We issued our very first deficit-covering bonds in 1975, and we stopped issuing them when I was finance minister. It took us about 15 years. Luckily, we could stop them because business recovered and revenue increased significantly. Deficit- covering bonds are like drugs; I do not mean to say that they have no immediate effects but you can get addicted to them. Therefore, I would like to avoid them if I can. Now, it brings us to the question of whether I am thinking about reducing taxes in the future.

Well, we left the income tax progressive structure untouched when we made a fundamental revision of the current tax system in 1987 and 1988. That is a structure in which your income tax rate becomes higher as your income increases. The progressive structure still has too many classifications. Because of that, salaried workers feel that they have a heavy tax burden; their income tax goes up even if their salaries increase a little. Such a thing would not happen if the system had only three or four ranks of classification, like the case of the United States or Great Britain. However, we failed, at the time of the previous fundamental revision of the tax system, to simplify the classification to the level of the United States or Great Britain because income tax is the largest source of revenue. I realize that this is a pending problem.

The fact is, we will promote the so-called reform of the pension system in 1994 and 1995. But, we will be obliged to reexamine, in a year or two, the issue of what we are going to do about the people's tax burden in the 21st century. I do not think we will be able to avoid the issue. Also, some people have been arguing about the ratio of direct taxes to indirect taxes for some time. I think that sooner of later we will be obliged to make a fundamental review of the people's overall burdens, including the issue of pensions. I do not think that we can leave them untouched indefinitely.

[Dean of the press corps] Now, we would like to talk about diplomatic issues. We want to start with Japan-U.S. relations. The new Clinton administration was elected and some people both at home and abroad are saying that you should visit the United States soon. First, would you comment on when you will visit the United States?

[Miyazawa] I myself think that I should visit the United States as soon as possible. Because of this, we have made several attempts to sound out the U.S. side. But, in addition to the fact that the lineup for his cabinet has not been completed, it seems that President-elect Clinton has a principle that there is one President. The President-elect may be thinking that President Bush is in charge of diplomatic affairs until he is inaugurated.

It seems that he has a policy of not seeing anybody regardless of which country he or she may come from; even officials of the European Community summit, where the British prime minister is acting as chairman. Well, we will refrain from asking for a meeting if that is his policy.

The only thing we can say is that we need to meet each other at the earliest opportune time. It is not an urgent task for the time being. We can talk with each other over the phone if necessary. My view, therefore, is to visit the United States as soon as possible after the inauguration of the Clinton government.

[Dean of the press corps] I think that another important issue is relations with Russia. We are unable to find an opportunity to improve our ties with Russia, which is in a difficult domestic situation. How are you planning to promote future Japan-Russia relations, including the northern territorial negotiations? Also, how do you feel about President Yeltsin's visit to Japan?

[Miyazawa] As you may remember, Yeltsin called us in September or immediately before his scheduled visit to Japan. He said that he was sorry that he could not come to Japan due to the domestic situation. I hope that he will come to Japan after settling the domestic situation as soon as possible. Although the president cannot come to Japan right away, it is important to maintain contacts between diplomatic authorities. Therefore, I hope that, if possible, deputy foreign ministerial level talks will be held again between Vice Foreign Minister Saito and his Russian counterpart Kunadze by the end of this year to discuss how we can promote future bilateral relations.

Bilateral relations in general will be discussed at such talks—not to mention the territorial issue and a peace treaty. I hope that we can also talk about wide-ranging topics, including the current Russian economic situation, and emergency and technical aid from Japan. But Russia is holding a session of the Congress of Peoples' Deputies. They may feel uncomfortable about talking about these issues until after they finish the Congress session. Anyhow, I would like to hold such a meeting if possible. We can consult with each other as to what we can do next year.

[Dean of the press corps] The Tokyo summit will be held next year. Can you comment on the possibility of inviting President Yeltsin to the summit?

[Miyazawa] Well, as Japan is the host country of the summit, we can decide while listening to the opinions of the other six member nations of the G-7. However, I think that it is premature to decide on an invitation to Yeltsin. As we know, the debate at the Congress session is escalating and it seems to me that the relations between Russia and the International Monetary Fund are not progressing. In general, we cannot even take a guess at whether Russia will move toward the prearranged line unless the Congress session is completed. The Russian side is probably thinking the same thing; they may be waiting for completion of the Congress session too and thinking how they are going to make contacts with Japan. I am of the opinion that we have to continue to keep an eye on the development of the situation for a little while.

[Dean of the press corps] This will be my last question, and it concerns the rice issue. Regarding Japan's opposition to rice tariffication, it seems that both the United States and the EC are still very firm on their approach despite Agriculture Minister Tanabu's recent visits.

On the other hand, it has been voiced that at this juncture, Japan should accept the tariffication proposal and start shifting to conditional struggle at an early date. Mr. Prime Minister, I would like to hear your views as to how the negotiations at the Uruguay Round, which are now centered on the rice issue, should be handled.

[Miyazawa] The new cabinet was inaugurated just today, and I have requested Agriculture Minister Tanabu to stay in his post. To tell the truth, it was my strong request that he stay in his post. At any rate, this is because Tanabu, who has been in charge of this issue for the past year or so, has been able to win the confidence of farmers and deepen a relationship of mutual trust. Moreover, it is because Tanabu himself has seen the progress at the Uruguay Round, particularly the most recent developments, with his own eyes. Therefore, feeling that Tanabu is most suitable for settling this issue, I have asked him to stay in his post.

And to tell the truth, it was I myself who requested that Tanabu make the recent visit to the United States and Europe. I made this request because as a result of recent talks held between the United States and EC countries, it is possible the Uruguay Round will now literally enter its final stage. Therefore, two questions have arisen: What talks were actually held between the United States and the EC? And has the Uruguay Round literally entered its final stage? And also, when will the final stage actually start? I wanted Minister Tanabu to take a direct look at these points, and I wanted the minister himself to once again explain our country's stance. These are the reasons why I asked him to make the recent visits.

After listening to Tanabu's report on his return, I have the impression that the Uruguay Round is now entering its final stage. There may be other problems but on the whole, it is desirable to make such a judgment. Under such circumstances, I feel that Japan should never break up the Uruguay Round of talks.

Minister Tanabu also explained our country's position in the United States and in Europe as well, and I am sure these countries on their part must now have a good understanding of our position. It is natural for them to request that Japan would never break up the Uruguay Round, and they have requested that Japan should not do so. Therefore, it is true that we should not break up the Uruguay Round but, on the other hand, it is necessary to ensure that Japanese farmers can engage in their farming work and rice production with a sense of security. How can we fulfill these two demands? This is the question that both the government and the party, with the agriculture minister playing the leading role, will have to take into serious consideration within a given limited period of time from now on.

In short, it is important to ensure that Japanese farmers can engage in farming work and rice production with a sense of security and with confidence, not merely for some time to come but also throughout the future; and thereby, conditions can be secured for the new Ministry of Agriculture, Forestry, and Fisheries to implement its policies concerning food, farming, and the rural community.

At the same time, Japan must provide cooperation so as not to break up the Uruguay Round. It is questionable as to how much time is left for us to comply with these two demands. It seems impossible that the issue can be settled before the end of the year. However, when various matters are taken into consideration, there is not much time left now. This is how I feel at present.

[Dean of the press corps] As dean of the press corps, I have no more questions to ask. From now on, you are free to ask questions.

[Reporter] My question may have nothing to do with the last question. While the United States and the EC were having difficulties in their agricultural talks, Japan seems to have maintained its position of what may be called devoting itself to defense only. Judging from what you have just said Mr. Prime Minister, I have the impression that some measures will be taken to deal with the domestic situation in case [words indistinct]....

[Miyazawa, interrupting] Well, let me put it this way: We did not mean to take the defensive-only position. However, if no decisions were made at their talks, we certainly have no idea as to what measures should be taken. Actually, the fact that they spent 10 long months on talks caused us problems. However, as they spent so much time on their talks, various countries have watched the progress of the U.S.-EC talks with the hope of promoting talks not only on agricultural issues but also on such issues as access rights, intellectual property rights, and the service sector. Therefore, nearly all negotiations on these issues have been suspended. And as far as our country is concerned, we, as well as other countries, have fallen behind in talks not only on the rice issue but also on other issues concerning agricultural products or processed farm products. In this connection, from now on, talks on all these issues will be resumed, and Japan's agriculture issue will be one of the topics on which talks will be started again. This is how the situation stands now.

Under such circumstances, we on our part must take measures to settle the issue by meeting both of the two conditions that I have just mentioned. To tell the truth, as a result of Minister Tanabu's recent visits, some progress has been made. Various countries have agreed on conducting a thorough study by working-level officials of ideas maintained by the Japanese side. Therefore, the United States or Geneva—perhaps with Geneva playing the major role—will soon conduct a practical study among working-level officials on what measures can be taken to deal with the ideas that I have just mentioned. Well, at any rate, it was Tanabu's visits that resulted in the start of this study. We have entered the stage of dealing with this issue now.

Therefore, this leads to your question as to what measures can be taken to meet these two conditions, and I think these measures will involve various matters. Depending on what measures are to be taken, I think the settlement will involve various matters. However, our objective is to take measures that will not break up the Uruguay Round and that genuinely will not arouse apprehension among Japanese people who are engaged in agricultural work or in rice production. To take such measures, I think it will probably become necessary to take various matters into consideration. And we must certainly be ready to do so.

For example, what I have just mentioned may concern enormous financial spending, and may also involve various other basic policies. As this issue is a matter of great significance, we must take into account whatever can be done.

[Reporter] Well, at a meeting of agricultural cooperatives....

[Miyazawa interrupting] I beg your pardon?

[Reporter] At a meeting of agricultural cooperatives, I think you once mentioned that as it is practically impossible to revise the Food Control Law, no promise should be made to foreign countries on something that is impossible. Do you still have the same idea?

[Miyazawa] It is precisely for this reason that talks will soon be started among working-level officials. While exchanging views with each other, these officials will study what measures might be taken. As I have just mentioned, what we have to take into consideration is how to create conditions for Japanese farmers to engage in farming work and rice production with a genuine sense of security.

[Reporter] In dealing with the rice issue, you said that various matters must be taken into account. For example, it is said that one of the measures is to set high-rated tariffs on rice imports, say 700 percent, to actually protect rice-producing farmers at home. Is this idea also included in the measures that will be taken into account?

[Miyazawa] Concerning this idea, as we will now enter into virtually last-moment talks, I don't think I should point out what measures will be included. Moreover, as far as other parties are concerned, they will also have problems if the Uruguay Round is broken up.

[Reporter] Mr. Prime Minister, I would like to ask you questions on the defense policy. It seems that an accord was reached between Japan and the United States at the meeting held in Washington on the procurement of AWACS [airborne warning and control system]. To tell the truth, the general public may have feel that it is questionable to purchase, under the post-cold war situation, a high-cost aircraft with an early warning system at nearly 60 billion yen per unit. The compilation of the budget will start soon. And regarding these facts, as well as the issue on revising the Mid-Term Defense Buildup Program [MTDBP], I would like to ask you Mr. Prime Minister, your views on the current defense policy.

[Miyazawa] Originally, when I served as a member of the National Security Council over a long period of time during my term as foreign minister, I questioned the propriety of procuring AWACS when discussing the issue of procuring E-2C [Hawk Eye with early warning system currently used by the Japanese Air Self-Defense Force]. And I remember that the answer was that it was not necessary for Japan to have such a sophisticated aircraft at that time. This happened quite a long time ago. Long ago, Mr. Sakata [former Defense Agency director-general] said that, for a nation which takes a purely defensive defense posture, it is like the long ears of a rabbit. Such intelligence-gathering capability has an exclusively defensive nature, and I think that we need it.

I have long felt that rather than spending money on other equipment, it will be in compliance with the exclusively defensive nature of our policy to spend money on such equipment. However, it seems that just as Japan has reached a stage of capability to use or acquire the command of the AWACS, the price has all of a sudden gone up. And I understand that for those who know the old price, they certainly feel that the price is set too high. That is the reason why I have repeatedly sent concerned officials to carry on talks. The fact is that the two sides are now narrowing down the disparity to some extent.

As far as I am concerned, I have no intention of procuring something that is not within our economic capability. Anyway, when an accord is reached at a reasonable and justifiable price, I think that for a nation pursuing an exclusively defensive defense, it will be desirable to possess AWACS if it is within our capability. However, I have not received any final report on this issue from the defense authorities yet.

[Reporter] What do you think of the overall revision of the MTDBP?

[Miyazawa] Concerning this issue, I requested during the term of former Director-General Sohei Miyashita's term that preparations for revising the program must be carried out at an earlier time than originally planned. And as concerned officials have been carrying out their task in a most serious way, I think the preparatory work has been promoted in a considerably favorable way.

As this program involves a considerably large sum of the budget to be appropriated in later fiscal years, it may seem that the budget appropriations for the program will be reduced by a large margin in the draft budget for fiscal 1993. However, I have requested that the MTDBP should be revised by a large margin because I think it is possible to revise the program by a large margin.

[Reporter] The next question concerns diplomacy with Asian- Pacific countries. It seems that, Mr. Prime Minister, you have taken a positive part in various consulations. What do you think of Japan's future role or duties in the post-coLd war Asian-Pacific region? And, do you plan to set forth something like the Miyazawa doctrine on diplomacy concerning the Asian-Pacific region?

[Miyazawa] First of all, as far as the economy is concerned, the North American Free Trade Agreement [NAFTA] has been formed on the North American continent, and integration is now in progress in Europe. Under such circumstances, all the attention is now centered on the future of this region, which is regarded as the brightest spot in the world. I have long cherished a view that the genuine capability of this region lies in its adaptability [taio-sei] and openness [kaiho-sei].

Fortunately, nearly all ASEAN countries share this idea and through their efforts they have reached an agreement on reducing tariffs in this region over a long period by forming what is called the AFTA [ASEAN Free Trade Area]. Generally speaking, I think this orientation is desirable. Under such circumstances, it is necessary for Japan to cooperate with other countries in fostering this reigion, in which the economy is open and capable of adaptability. It goes without saying that Japan must play an important role. Japan must play an important role in such ordinary fields as trade and investment. In my opinion, building up social infrastructure in the region is probably one of Japan's duties.

For example, transportation, communication, and technological training are necessary. I think that Japan can play a major role that benefits entire regions. This is one of the contributions we can make for Asia in the future. One of the reasons why I have been listening to opinions from Asian nations at various meetings is to find out whether we will be able to have a common shelter, like the Conference on Security and Cooperation in Europe (CSCE), in Asia in the areas of politics and security.

It seems to me that Asia lacks the sufficient elements to immediately create something like this. However, I think that Asian nations feel that it is of mutual importance to have that kind of organization for the future security and prosperity of this region. Judging from its nature, this is not something that Japan should take leadership in. Those nations which are interested in this region can gradually form such an organization upon conducting various discussions.

For example, APEC is an economically-oriented organization, right? But, something like the post-foreign ministers' meeting for the Association of Southeast Asian Nations is moving toward gaining some political characteristics. A trend is gradually moving in the direction of forming a common shelter. We should not forget this and should try to cherish such a movement. This is something we cannot form by force. I am sure that we will fail if we force ourselves to form such an organization. Therefore, I believe that we should gradually nurture the movement while continuously paying attention to problems that might arise.

Although no definite schedule has been formed yet, I want to visit several countries in January for about one week to once again personally look at the situations in those countries and listen to their opinions.

[Dean of press corps] I would like to ask you a question in relation to the Asian issue. Negotiations with the DPRK ruptured at the 8th Japan-DPRK meeting, held in November. Ties were normalized between the ROK and Russia and the ROK and China. It seems to me that normalizing Japan-DPRK ties is a very important issue. However, how are you going to break the deadlocked negotiations and what kind of initiative do you think Japan can make?

[Miyazawa] The Japan-DPRK negotiations were stopped because of the IAEA's [International Atomic Energy Agency] inspection of Yongbyon and its surrounding areas—the DPRK's various preparations for the production of nuclear weapons—and the joint inspections of nuclear facilities in the North and South. There were other reasons for the rupture, of course. We do not think that obstacles will suddenly be created because of the rupture. However, speaking from the viewpoint of the DPRK, no progress at the negotiations will probably create negative effects for the DPRK. There is no other way but to think that, sooner or later, North Korea will make a move toward Japan, the ROK or the United States. We are not intentionally sabotaging the negotiations. We think that there will be some progress if the move I have mentioned is made.

[Correspondent] My question concerns an entirely different topic. My question is about political reform, or the reform of the electoral system. The LDP has worked out a single-seat constituency system....

[Miyazawa, interrupting] I beg your pardon.

[Same correspondent, repeating] A draft plan for revising the electoral system centered on the single-seat constituency system has been worked out. And this draft plan will be submitted to the Advisory Council for Electoral System Reform for deliberations. It seems that it will be very difficult to come to a consensus with the opposition parties. If such efforts fail, what will the procedures for submitting the draft plan to the Diet be? For example, will the LDP or the government submit this as an independent proposal? What procedures will be used with regard to this issue?

[Miyazawa] It is true that no discussions have yet been held on such procedures. Well, the Headquarters for Promoting Political Reform, for its part, has carried out long and serious deliberations on the basic principles. Those who participated in the discussion felt that the only alternative is to establish a single-seat constituency system, and also a system for providing official subsidies for election campaigning, because this is an issue that also concerns funds. Their views have been stated in the recommendations.

Since the discussions were conducted in such a serious way, it is most probable that the party will work out its position based on their recommendations. With regard to the opposition's response to the plans, I have been informed that some parties have stated they cannot approve of the plans. However, because there is still time it still remains unknown how they will actually respond.

Therefore, with regard to the question just asked, there has been no speculation on such a situation, and no decisions have yet been made on how to deal with the situation. At any rate, it is still necessary for us to firm up our own position, and then work this out through final consultations. Then consideration will be given to what procedures should be taken in case a consensus fails to be reached. Therefore, I do not think that this is the proper time for me to answer this question.

[Correspondent] Mr. Prime Minister, you just mentioned that members of the party's Headquarters for Electoral System Reform have worked out the plan concerning the single-seat constituency system after serious and thorough deliberations. Mr. Prime Minister, what do you think of the single-seat constituency system?

[Miyazawa] I just remarked on this because recommendations on the basic principle concerning political reform were submitted to me only the day before yesterday. And in fact, I myself participated in the deliberations on this plan. Therefore, I myself feel that I have a sufficient understanding of the details, and I also feel that I have participated in this operation.

And the reason why I made those remarks is that the plan is not an official resolution adopted by our party. Since the plan is based on recommendations submitted to me by my advisory council, based on party regulations, the point at issue now is how to shift it to a general consensus by all the party members. Such procedures still have to be taken, and that is the reason why I made these remarks.

[Correspondent] It seems certain that you strictly criticized the single-seat constituency system last year.

[Miyazawa] This is not correct. No plan similar to the current one was worked out then.

[Correspondent] Something like this system, in connection with a proportionate constituency system....

[Miyazawa, interrupting] This is a different plan.

[Correspondent] Was it because of such differences that different measures were taken? Mr. Prime Minister, is this why you changed your opinion?

[Miyazawa] The last plan is quite different from the current one. It would be wrong to discuss them together as the same item.

[Correspondent] Mr. Prime Minister, I would like to ask about the tax system. You mentioned a while ago the review of the ratio between direct and indirect taxes. Are you thinking about increasing the consumption tax?

[Miyazawa] No, I am not considering it.

[Same correspondent] In a news conference held shortly after you assumed the premiership, you said that you would not think about increasing the consumption tax unless the people understand it. Successive cabinets since the Takeshita cabinet, have said that they would not raise the consumption tax.

[Miyazawa] I do not know how many years my cabinet will last. My cabinet has never said anything about increasing the consumption tax. I think that the tax cannot be raised unless a national consensus is built on it. The tax cannot be raised because it is a legislative matter. I, therefore, am not considering raising the consumption tax rate now.

[Correspondent] Mr. Prime Minister, would you think about a tax increase if you won the people's understanding and support?

[Miyazawa] I had better not answer your question. I have no intention of vehemently opposing tax increases if and when the people demand them. I think that the people have no reason to demand that. The people must ask me to consider this and other things when they make any requests concerning tax matters. I, therefore, would like to accept your question as a hypothetical one.

[Dean of the press corps] The time is nearly up and I would like to end this news conference after one more question.

[Correspondent] Mr. Prime Minister, I would like to ask about your stance on the current political situation. Mr. Prime Minister, as you have just said, the public distrust in politics is deepening unprecedentedly. I think that this has led to a sharp decline in the public approval rating for your cabinet. I think that you have encountered many difficulties in implementing your policies because of the public distrust in politics. I think that with your new cabinet in place, you need to make a more forthright and bold appeal to the people. What do you think of my proposal?

[Miyazawa] I want to ask the people to assess my cabinet after seeing what my cabinet has done. As to the political reform, emergency measures for political reform were taken and the plan for sweeping political reform was worked out within one year as I promised publicly when I assumed the presidency of the ruling party. Regarding Japan's cooperation with the international community for peace, a law has been passed in the Diet and the law is in force. To my regret, the economic recovery is delayed and I cannot say that I have succeeded in recovering the economy. As for building Japan into a life-style superpower, a five-year plan has been drawn up. As a result, my feeling is that I have done what I promised publicly. What I want to point out is that we are in an era of major transformation. I believe that the Sagawa scandal is making the people irritated. The government and the Diet should deal with the scandal. I believe that if I do not try hard to grapple with the scandal, the people will never understand what I am doing. As I said a while ago, I asked capable people to join my cabinet and I intend to ask them to work together under the slogan of reform and policy implementation, and to tell them that I will take the lead. This is what I am now feeling.

[Correspondent] I would like to ask about your visit to the United States...

[Miyazawa interrupting] I beg your pardon.

[Correspondent] I would like to ask about your tasks to be accomplished when you visit the United States.

[Miyazawa] As for my visit to the United States, it is not an urgent matter. I think that tasks will arise for me when I decide to visit the United States. In any case, the trade imbalance, which has been mentioned, will hardly be corrected until I visit the United States. I think that the trade imbalance will come up as an important task.

[Dean of the press corps] The time is up and I would like to end this news conference. Thank you very much.

[Miyazawa] Thank you very much.

Statements by, Comments on New Cabinet Reported

Cabinet News Conference Reported

OW1112180192

[Editorial Report] Tokyo NHK General Television Network in Japanese at 1507 GMT on 11 December broadcasts 67 minutes of recorded excerpts of a news conference given earlier in the day by the members of the new Japanese cabinet, the composition of which was announced on 11 December. The news conference was held in the conference hall at the prime minister's official residence in Tokyo.

Yohei Kono, the newly-appointed chief cabinet secretary, opens the news conference by touching on why Prime Minister Miyazawa decided to reshuffle the cabinet. Kono says: "I feel that the prime minister has a strong intention to foster a new type of politics amid the current distrust of the political system." He then is asked whether Miyazawa, when deciding on cabinet positions, had indeed considered moving away from the old policy of trying to hand out cabinet posts to the various factions according to their respective strength in the ruling Liberal Democratic Party (LDP). Kono answers that "the best efforts were made" to move away from this practice during the process of setting up the new cabinet, adding that he feels that these efforts resulted in a lineup that is "quite different" from those that have resulted from previous cabinet reshuffles.

The next minister to be shown answering reporters' questions is Michio Watanabe, who was asked to remain in the Miyazawa cabinet as deputy prime minister and foreign minister. Watanabe begins by saying that when Miyazawa asked him to remain in his posts, he decided to comply with the request because he felt that "amid the drastically changing world situation, importance must be attached to diplomatic relations with other nations." He adds: "Now that I have complied with his request, I want to do my very best, and that is all."

Watanabe is then asked whether he has ever received any political donations from the Tokyo Sagawa Kyubin Co. Watanabe answers in the negative, but he goes on to say he personally knows both Kiyoshi Sagawa, the owner of the Sagawa Kyubin Group, and Hiroyasu Watanabe, the dismissed president of Tokyo Sagawa Kyubin Co. After a reporter asks him whether former Prime Minister Noboru Takeshita should resign from the lower house of the Diet, Watanabe says that this question must be decided by Takeshita himself.

In replying to a question on the Uruguay Round of GATT's multilateral trade talks, Watanabe notes that Agriculture, Forestry, and Fisheries Minister Masami Tanabu is scheduled to return to Tokyo later in the day from the United States, where he discussed the issue of the tariffication of Japanese rice. Watanabe says: "We will listen to what he has to say and review, with both the government and the ruling party, how to best deal with the situation."

Next, the video shows new Justice Minister Masaharu Gotoda answering reporters' questions. In replying to a question as to whether he ever received any political donations from Sagawa Kyubin, he also answers in the negative. In discussing how he plans to deal with the Sagawa case, Gotoda answers that, because he is not yet familiar with all the details, he cannot say what the final outcome will be. In replying to a question on possible collusion between prosecutors and politicians involved in the scandal, Gotoda answers: "There cannot be any relationship between politicians and the prosecuting powers that are pursuing them."

The video then shows Yoshiro Mori, the new chief of the Ministry of International Trade and Industry (MITI). Mori begins by saying his ministry's most pressing goal is to push for the recovery of the domestic economy. He says: "Our ministry's task for the time being is to ensure economic recovery as soon as possible." He continues by noting that a supplementary budget was passed a day earlier in the Diet, adding that this extra budget features a number of pump-priming measures for the Japanese economy. He adds that he hopes that the beneficial effects of the supplementary budget "will be felt as soon as possible."

Mori goes on to discuss U.S.-Japanese relations. He says: "A new administration will soon be inaugurated in the United States. We have to deepen U.S.-Japanese relations, as well as deepen our friendly economic ties with the new administration. Also, I feel that our country should cooperate with the United States fully in revitalizing the U.S. economy, and that both Japan and the United States must play the leading role in revitalizing the world economy. I think an important task will be to pay attention to all these issues."

With regard to political donations from Sagawa Kyubin, Mori admits that he received donations from the firm, but he adds that these donations were in full compliance with the Political Funds Control Law.

In answering a question on the Uruguay Round, the new MITI minister says: "It goes without saying that, one way or another, we must make the Uruguay Round a success at an early date because the free trade system is important not only to Japan, but also to the entire world. Even though I believe that every government concerned is doing its very best, I think that we are being asked to make a very tough choice right now. I feel that we must do our best to deal with this issue on the basis of our government's fundamental policy."

Following the recording of Mori's remarks, the video cuts to show Keijiro Murata, the newly-appointed home affairs minister, answering questions at the news conference. Murata first stresses the importance of establishing a sound financial system at the local-government level, as instructed by Prime Minister Miyazawa. He continues by explaining his views on issues such as public security. Later, he says that former Prime Minister Takeshita, on the strength of his Diet testimony, has already clarified his involvement in the Sagawa Kyubin scandal.

New Labor Minister Masakuni Murakami is shown next. He stresses the importance of building a nation that features a better quality of life, and he says that such a nation must be constructed through the efforts of each and every individual within society. Murakami adds that he is determined to carry out plans for creating better living and working conditions within Japan.

The new director-general of the Management and Coordination Agency, Michihiko Kano, is the next cabinet minister shown in the NHK broadcast. Kano voices his determination to do his best in further promoting administrative reforms, in advancing the campaign for an early settlement of the northern territories issue, and in improving the pension system for the sake of retired people.

The video then cuts to newly-appointed Transportation Minister Ihei Ochi. He says he intends to improve the people's life-styles by ensuring safe and efficient transportation via land, sea, and air. He adds that he will study and simplify the complicated system of issuing various permits and licenses, for which other nations have criticized Japan.

Ochi's recorded remarks are followed by a recording of new Health and Welfare Minister Yuya Niwa. Ochi says he hopes to secure both personnel and funds to meet the growing needs of an aging society and to do his best to promote the welfare administration.

The NHK broadcast continues with a recording of new Finance Minister Yoshiro Hayashi saying that his immediate tasks will focus on the "extremely serious economic situation." He adds that his ministry will work hard to compile the fiscal 1993 budget by cooperating with other government agencies and the LDP. He continues by stating his determination to do his best to achieve economic recovery, to ensure financial security, to reform the financial system, and to deal with pressing issues, such as the Uruguay Round and the expansion of aid to Russia.

While discussing concrete measures for economic recovery, Hayashi says: "For the time being, our first step will be to implement the supplementary budget, which was adopted by the Diet just yesterday, and wait and see what the results are."

The video then cuts to Taikan Hayashi, new director general of the Environment Agency. Taikan Hayashi points out that environmental protection has become an extremely important issue. He promises to do his best to resolve domestic and global environmental issues, and he emphasizes that Japan must play a leading role in settling global environmental issues.

The recording of Taikan Hayashi's comments is followed by a recording of Kishiro Nakamura, the new construction minister. Nakamura highlights the fact that Japan's social infrastructure has fallen far behind other Western nations. He goes on to stress the need to improve the social infrastructure to allow people to truly enjoy an affluent life, and he stresses the importance of trying to redistribute "the over-concentration" of economic and other resources in Tokyo.

Takashi Inoue, the new director general of the National Land Agency, is shown next discussing the importance of implementing a balanced policy when utilizing and developing national land. Inoue goes on to stress the need to improve the social infrastructure to achieve the objective of providing people with a higher quality of life, as advocated by Prime Minister Miyazawa.

Shuji Kita, a member of the House of Councillors who was appointed as director general of the Hokkaido and Okinawa Development Agency, is shown next. He is shown outlining his general ideas on further promoting the economic development of these two underdeveloped areas.

The video next cuts to new Education Minister Mayumi Moriyama, the cabinet's only female member. Moriyama stresses the importance of promoting education, culture, and sports in greeting the 21st century. By doing this, she says Japan can become a country with vitality and a better quality of life.

NHK follows Moriyama with a recording of Junichiro Koizumi, the new minister of posts and telecommunications. Koizumi stresses that the government should engage in businesses that cannot be carried out by the private sector, and he outlines his plans to place priority on national interests as he fulfills his duties.

Mamoru Nakajima, the new director general of the Science and Technology Agency, is the next cabinet member shown speaking at the news conference. He states his determination to carry out his tasks in the fields of science and technology—fields that he says provide a driving force for Japan's future development. Touching on the overseas transport of plutonium from France to Japan, which has been criticized both at home and abroad, Nakajima says that for the sake of ensuring security, the plan must be kept secret.

At 1604 GMT, the video shows a recording of Defense Agency Director General Toshio Nakayama answering reporters' questions. After being asked to comment on the best way to structure Japan's future defense capabilities, Nakayama points out that Japan has been engaged in a "strictly defensive" military buildup since before the cold war ended. He says: "Even though the situation around us is changing, I do not think our policy will change immediately."

In discussing the future dispatch of Self-Defense Forces (SDF) personnel for UN peacekeeping operations (PKO), Nakayama says: "Well, most people contend that PKO is not designed as a use of force. If Japan is to send its personnel abroad, then the SDF is the only feasible force in terms of organization and training. Although there are various restrictions, I am of the opinion that sending the SDF is the best way" to engage in PKO activities.

Touching on Japan's role in supporting UN efforts in Somalia, Nakayama says: "This is my personal opinion: Somalia is too far away to dispatch the SDF. By all means, we need to consider whether it is good idea to send in something like the SDF. Judging from the actual situation, however, it is obvious that Japan needs to make some sort of personnel contributions."

While reviewing the Mid-Term Defense Buildup Plan, Nakayama says: "As I said earlier, I think that there is no need to make major changes in fundamental matters. Nevertheless, it is possible that qualitative changes will take place in the situation surrounding us. Therefore, I feel that we may have to study the possibility of reviewing the Mid-Term Defense Buildup Plan when dealing with such changes."

The video then cuts to show Director General of Economic Planning Agency Hajime Funada speaking at the news conference. Funada outlines four major goals of his tenure, including making Japan a life-style superpower that can coexist with the rest of the international community. Asked whether he is planning to introduce measures for economic recovery, Funada says some steps have already been taken and that he will have to wait and see how these measures work out. He says: "It may be a bad metaphor, but it is as if our stomach is being stuffed with various things. Therefore, it is important for the time being to see how these things are digested."

The video next cuts to Agriculture, Forestry, and Fisheries Minister Masami Tanabu. Responding to a question about whether or not the Japanese Government will make a "political decision" on the rice issue before the end of the year, Tanabu says: "I do not know. It is not solely a Japanese issue. Some countries still have various problems, and, therefore, I simply cannot predict how [the Uruguay Round negotiations] will develop in terms of the overall discussion."

NHK's broadcast of the recorded excerpts of the 11 December news conference ends immediately following Tanabu's recorded remarks at 1614 GMT.

Business Leaders Welcome Cabinet

OW1112105292 Tokyo KYODO in English 1041 GMT 11 Dec 92

[Text] Tokyo, Dec. 11 KYODO—Japanese business leaders Friday urged the new cabinet of Prime Minister Kiichi Miyazawa to push political reforms and economic pump-priming measures. Gaishi Hiraiwa, chairman of the Federation of Economic Organizations (Keidanren), said the new cabinet has an "extremely heavy responsibility" in promoting political reforms, pushing economic stimulation measures, and making a "political decision" at the Uruguay Round of global trade talks. Japan is under mounting international pressure to open its rice market at the talks, sponsored by the General Agreement on Tariffs and Trade (GATT).

Hiraiwa also said the new cabinet should promote "active diplomacy" with the new administration of U.S. President-elect Bill Clinton, who will be inaugurated in January.

Rokuro Ishikawa, chairman of the Japan Chamber of Commerce and Industry, called for urgent political reforms and economic stimulation measures, saying the national economy is in a serious slump and public distrust of politics has peaked.

Masaru Hayami, chairman of the Japan Association of Corporate Executives (Keizai Doyukai), urged the cabinet to make a quick decision on international demands for the opening of the rice market.

Takeshi Nagano, president of the Japan Federation of Employers Associations (Nikkeiren), noted the new cabinet includes many powerful politicians.

Masabumi Onishi, chairman of the Osaka Chamber of Commerce and Industry, expressed hope that the new cabinet will work harder to stimulate the economy through income tax cuts and an expansion of public works spending.

Attestation Ceremony Held 12 Dec

OW1212022292 Tokyo KYODO in English 0129 GMT 12 Dec 92

[Text] Tokyo, Dec. 12 KYODO—Prime Minister Kiichi Miyazawa and his 20 cabinet ministers attended the attestation ceremony in the presence of Emperor Akihito at the Imperial Palace on Saturday morning before holding an inaugural meeting of his second cabinet. At the cabinet meeting, officials said, Miyazawa will renew his pledge to win back public trust in politics as the Tokyo Sagawa Kyubin money-and-mob scandal continued to haunt his government.

Miyazawa, whose cabinet was hit by some of the lowest popularity ratings ever, will tell the meeting at his official residence that public distrust of politics has increased as never before in the wake of the scandal.

The officials said he will express a determination to implement political reform to regain public trust and call for the ministers' cooperation to tackle difficult tasks such as realizing the economic recovery and a five-year plan to make Japan a better place to live. Miyazawa will also urge the cabinet ministers to refrain from taking part in faction activities and to make public their personal assets, they said.

Miyazawa will hold a press conference at the official residence later in the day. He is expected to express his views on domestic and international affairs, including economic policies such as a possible opening of Japan's rice market and on the nation's relationships with Russia and the United States.

Miyazawa Seeks Cabinet Support

OW1212061692 Tokyo KYODO in English 0448 GMT 12 Dec 92

[Text] Tokyo, Dec. 12 KYODO—Prime Minister Kiichi Miyazawa called on his new cabinet Saturday to support his bid to introduce sweeping political reforms and restore public confidence in politics in the wake of the Tokyo Sagawa Kyubin money-and-mob scandal.

"Public distrust in politics is extremely severe," Miyazawa told the ministers at their first gathering since he renewed his 20-member cabinet in a regular reshuffle Friday.

Miyazawa asked for the ministers' full cooperation in efforts to revise the election system, and rout the ruling Liberal Democratic Party of excessive factionalism. Miyazawa, whose previous cabinet was hit by some of the lowest popularity ratings ever, put a priority on cleaning up politics in selecting reform-oriented politicians for key posts in his second cabinet.

In a statement issued after the meeting, Miyazawa said he would press forward with policies aimed at political reform, economic recovery, and fulfilling Japan's international responsibilities.

"The international community is establishing a new peaceful order in the wake of the cold war, and Japan must play a role in keeping with its power," the statement said. "While making harmonious relations with the United States, which is soon to have a new president, our (diplomatic) centerpiece, I will make efforts to build future-oriented relations with the Asia-Pacific region," Miyazawa said. Miyazawa urged cabinet ministers to hold themselves to high ethical standards and to refrain from taking part in faction activities.

Chief Cabinet Secretary Yohei Kono said he asked cabinet members not to participate in regular faction meetings, parties or factional politics. Ministers also are expected to seek approval from the LDP prior to campaigning on behalf of their colleagues, Kono told a news conference. Ministers were encouraged to abstain from dealings with stocks from industries related to their portfolio before they are openly traded, and to reject speaking fees that exceed "public common sense," Kono said. The cabinet convened after attending an attestation ceremony in the presence of Emperor Akihito at the Imperial Palace.

New Finance Minister on Recession

OW1212080092 Tokyo KYODO in English 0737 GMT 12 Dec 92

[Text] Tokyo, Dec. 12 KYODO—New Japanese Finance Minister Yoshiro Hayashi pledged Saturday to do his utmost to halt Japan's de facto recession. Hayashi, holding his first press conference at the Finance Ministry, said he does not yet see full signs of recovery, but feels the economy would not take a turn radically for the worse. Hayashi said the government will consider pump-priming aspects when forming the draft budget later this month for the next fiscal year, which begins in April. But the new finance chief brushed aside the possibility of an income tax reduction.

Asked about the possibility of an additional package to prop up the economy, he said that for the time being he will monitor effects of the 10.7 trillion yen economy-stimulating package announced in August.

Hayashi, former vice chairman of the ruling party's Tax System Research Council, also ruled out any plans to float debt-financing bonds to make up for slumbering tax revenues stemming from the slower economy, for the time being, "or at least in the formation of the fiscal 1993 budget."

The Finance Ministry schedules to reveal its proposal for the budget plan on December 21, which is expected to be approved by the cabinet on December 26, after "fine-tuning" negotiations to be held with each ministry.

But with the discussion on raising taxes to cover tax shortfalls, Hayashi remained prudent, asking how much support the government can expect to get from the public. There have been arguments to conduct tax hikes on tobaccos, liquors, and petroleum products.

Turning to issues on the reforming of the financial system, Hayashi pointed to the need to restore credibility of financial institutions that have been damaged by a series of scandals revealed after the bursting of the speculative bubble, while facilitating further liberalization and competition in the sector.

He basically refrained from commenting on the possible revival of special tax incentives on repurchasing of residential properties. However, he said the government must think of measures that will not lead to boosting land prices.

The tax incentives were abolished for spreading higher land prices from large cities to municipal areas, but forces led by the Construction Ministry have been calling for its recuperation so that it could contribute to giving energy to the nation's economy.

Concerning Tokyo's stagnant stock market, Hayashi said, "ask the market about stock prices," stressing that the government ought not intervene directly to support the slumbering prices. He said, however, it is necessary to seek measures that will contribute to "activating" the market environment.

On international affairs, Hayashi said he will seek ways to accelerate repatriation of funds overseas amid growing current and trade surpluses accumulated by Japan. He said he will try to observe the issue from circulation of funds on a global scale. Tokyo is scheduled to host the annual economic summit meeting by the leaders of the group of seven (G-7) leading industrialized nations in July.

He basically found no problem in inviting to the summit meeting Russian President Boris Yeltsin, who abruptly halted plans for a visit to Japan this fall. But he reiterated the Japanese Government stance on the northern territories, saying the issue must be solved before Japan will step up its relations with Russia. Hayashi also denied reports that he will be visiting the United States next month, saying his remarks made late Friday were misinterpreted by the media.

New MITI Chief on Income Tax Cut

OW1212081192 Tokyo KYODO in English 0800 GMT 12 Dec 92

[Text] Tokyo, Dec. 12 KYODO—New International Trade and Industry Minister Yoshiro Mori on Saturday ruled out the possibility of cutting income tax during fiscal 1993 starting next April.

Mori, appointed Friday as trade minister, said at a press conference after his first cabinet meeting, "we should consider the income tax cut within the whole taxation system from the middle- and long-term points of view after reviewing the ratio between direct and indirect taxes."

While admitting weak consumer spending is a serious problem, Mori said the government will prepare a budget for the next fiscal year so as not to issue deficit-covering bonds. Mori suggested that an income tax reduction should take place at the same time as a hike in the consumption tax, currently at 3 percent. Asked about a cut in the official discount rate, Mori said that cutting the base rate alone would not necessarily ease monetary conditions.

New Justice Minister on Reform

OW1212082092 Tokyo KYODO in English 0809 GMT 12 Dec 92

[Text] Tokyo, Dec. 12 KYODO—New Justice Minister Masaharu Gotoda said Saturday that a drastic political reform is necessary to restore public trust in politics. Gotoda was speaking at a press conference held after the first meeting of Prime Minister Kiichi Miyazawa's second cabinet.

Gotoda said the people are boiling with rage over repeated cases of political corruption, epitomized in the Tokyo Sagawa Kyubin scandal, which exposed politicians' ties with illegal donations and mobsters. He said politicians should seriously tackle political reforms to restore voters' trust in politics. The justice minister said, "what is important is not only to unravel the scandal but to make good use of it to prevent the recurrence of corruption." Gotoda also said that public prosecutors should be united, in an apparent reference to the criticism by a top prosecutor of the Tokyo district public prosecutors office's handling of the case against former ruling Liberal Democratic Party Vice President Shin Kanemaru.

The head of the Sapporo high public prosecutors office rapped the Tokyo prosecutors' decision to only file a summary indictment against Kanemaru for his acceptance of a 500 million yen illegal donation from the Tokyo Sagawa Kyubin parcel delivery firm.

The summary indictment meant that Kanemaru did not have to face a court trial.

Industry Minister on APEC Forum

OW1212103892 Tokyo KYODO in English 1015 GMT 12 Dec 92

[Text] Tokyo, Dec. 12 KYODO—International Trade and Industry Minister Yoshiro Mori proposed Saturday to upgrade the Asia-Pacific Economic Cooperation (APEC) grouping to an all-round forum handling political as well as economic issues. Mori said in an interview with KYODO News Service and three newspaper companies, "it is necessary to create a forum, adding Russia and China." The new trade minister said that because of several differences among Asian nations, such as the gap between rich and poor countries and religious differences, it is important to discuss political issues within the APEC.

While the Foreign Ministry has been positive toward dealing with political issues in the APEC, the Ministry of International Trade and Industry has been opposed to such a function for the body, maintaining it should stick to economic issues. Some Southeast Asian nations, too, are against the creation of a forum for political dialogue within APEC. Indonesian Foreign Minister Ali Alatas has said APEC started as an economic forum and "it should remain so."

APEC, set up in 1989 as a loose consultative economic group, now comprises Japan, China, Taiwan, Hong Kong, South Korea, the United States, Canada, Australia, New Zealand, Brunei, Indonesia, Malaysia, the Philippines, Singapore, and Thailand.

New Ministers Discuss Issues

OW1312104892

[Editorial Report] Tokyo NHK General Television Network in Japanese at 0000 GMT on 13 December begins a live relay of an 85-minute roundtable discussion entitled: "Tasks for the New Miyazawa Cabinet." The roundtable discussion is composed of NHK commentator Korehito Obama as moderator; Michio Watanabe, deputy prime minister and foreign minister; Justice Minister Masaharu Gotoda; Finance Minister Yoshiro Hayashi; Education Minister Mayumi Moriyama; Agriculture, Forestry, and Fisheries [MAFF] Minister Masami Tanabu; International Trade and Industry Minister [MITI] Yoshiro Mori; Home Affairs Minister Keijiro Murata; Chief Cabinet Secretary Yohei Kono; and Tokyo University Professor Takeshi Sasaki.

The discussion begins with Obama asking the new cabinet ministers what the government should do to restore public trust in politics. Deputy Prime Minister Watanabe says: "Politicians should not do absurd things," indicating the need for politicians to act based on their common sense. Justice Minister Gotoda places priority on implementing economy-boosting measures. He also puts emphasis on efforts to implement political reform. The other ministers share the same view as Gotoda.

Finance Minister Hayashi then adds that it is important to compile the fiscal 1993 budget to meet the people's expectations and promote Japan's contributions to the international community. He continues: "We have to do various things for international issues. The world has changed a lot and... [changes thought] Recently, I acted as chairman of the Committee for Peacekeeping Operations and I think that the time is ripe for us to seriously think about how Japan should make international contributions. The world is faced with many economic problems and we need to talk about them. In particular, we will be hosting the Tokyo summit in either July or August next year. I think that we need to make various preparations for the summit and to deepen international cooperation. The United States will have a new administration. Therefore I think we need to have various discussions with other countries."

MITI Minister Mori says: "The government needs to take action on political reform" as it has discussed reform measures for several years. MAFF Minister Tanabu agrees, saying that comprehensive political reform, including the review of the electoral system, is urgent. He says: "I think the people will not be satisfied unless we take bold measures as soon as possible. I think we have to make radical changes."

Chief Cabinet Secretary Kono says that by employing the wisdom of each cabinet minister, "the government should adequately and promptly respond to domestic and foreign demands so that it will lead to the recovery of public trust in politics."

Commenting on the ministers' views on the need to promote political reform as one of measures to restore public trust, Professor Sasaki says that the general public wants the government to implement reform measures rather than simply talking about it and continuing discussions. He says it is time for action.

Next Obama asks how the Tokyo Sagawa Kyubin scandal should be resolved. Justice Minister Gotoda says: "If the opposition parties feel they need to resummon politicians involved in the scandal for their testimony, they should do so." Gotoda also notes that the prosecution will conduct investigations within the framework of the law. Gotoda says that if they cannot conduct sufficient investigations under the current law, "a new law, including one that requires imprisonment for those who reject a demand to appear themselves to testify,"should be formulated. Obama asks Home Affairs Minister Murata—who is concurrently National Public Safety Commission chairman—whether the prosecution will continue investigations into the alleged connection between politicians and an organized crime syndicate. Murata says: "It is a matter of course" that prosecutors will continue investigations, adding that the case should be investigated at a special committee, not at the Diet. Chief Cabinet Secretary Kono says that it is important for both the ruling and opposition parties to make efforts to resolve a series of scandals legally and politically. He stresses: "In order to restore public trust political scandals should not be left unsolved. This is a task for both the ruling and opposition parties."

Touching on proposals the Liberal Democratic Party [LDP] has submitted to the prime minister as fundamental measures for political reform, Professor Sasaki asks Chief Cabinet Secretary Kono how the government actually plans to carry out the reform. In response, Kono first reviews how the LDP mapped out the proposals, then goes into detail on the procedures for implementing measures, including discussions with the opposition parties. He points out: "The prime minister probably will ask party organizations to study the proposals" at the earliest opportunity. He continues to explain: "We also have to discuss this with the opposition parties. In other words, political reform cannot be done by the ruling party alone. We need the agreement of both sides."

Obama asks MITI Minister Mori how the LDP intends to deal with the possible objection of the opposition parties to the LDP-proposed single-seat constituency system. First indicating a difficulty in reaching an agreement with the opposition parties, Mori proposes the idea that the opposition camp should submit their own plans. He says members should have the goal of making their party large enough to become the ruling party. Mori continues by saying that the measures could then be combined with the LDP's, or the general public could decide what measures should be implemented. Mori says: "This is the only way" for the ruling and opposition parties to reach an agreement. Noting that there is no perfect electoral system and blaming the opposition parties for merely criticizing the LDP's proposal of a small-seat constituency system, Deputy Prime Minister Watanabe says: "The opposition will be given an opportunity to seize power if the small-seat constituency system is introduced." Sasaki asks whether the LDP will be able to achieve political reform only if a small-seat constituency system is introduced. Chief Cabinet Secretary Kono says: "Political reform is possible" without the small-seat constituency system, adding: "The inauguration of the new cabinet is the first step toward political reform." Asked whether or not the small constituency system is the only choice to establish an ideal political world where the opposition parties also are given an opportunity to attain power, Finance Minister Hayashi says he does not think so, but indicates that the small-seat constituency system will be more advantageous to the opposition parties than the present system.

Moderator Obama then brings up the issue of the Uruguay Round of multilateral trade talks, including the rice issue, and asks for Agriculture, Forestry, and Fisheries Minister Tanabu's position on the rice issue. Obama first reviews Prime Minister Miyazawa's comments on the rice issue at yesterday's news conference. Tanabu states: "Well, I did not hear that directly from the prime minister, but it is true that they [the United States and the European Community] have a very strong will to bring the Uruguay Round to a conclusion before the end of this year. This is the impression I got during my recent trips to the United States and Europe. However, both the United States and the European Community maintain very strong opinions regarding nonagricultural issues. It may appear that no progress has been made as a whole. Only Japan is taking up the agricultural issue as a symbol of the Uruguay Round. All countries agree, however, that the Uruguay Round has to be brought to a successful conclusion. The prime minister also said that we should never break up the Uruguay Round of talks. Now, a question comes as to what we are going to do about the issue of rice and dairy products, which are symbolic items. We adopted a Diet resolution on the issue and there are many things I would like to say about it, but I will not talk about the small things. However, we want other countries to understand our situation by all means. After that, we need to have discussions at negotiation-level meetings in order to break the deadlock. Discussions on agricultural issues, for example, should not be done only among those who are in charge of agricultural matters. We should discuss all the matters together and reach a compromise with each other. All countries do their best at negotiations for their own national interests. Take the recent negotiations between the United States and the EC for example. The EC side was tough so that they could protect their national interests. The other side was running out of energy. I reported to the prime minister yesterday that it would be difficult, judging from the schedules for discussions, to conclude the Uruguay Round before the end of this year: this is my prediction. I told him, however, that we had to deal with the situation on the assumption that an agreement could be reached within this year."

Finance Minister Hayashi says that it is necessary to make efforts to conclude the Uruguay Round of talks while reiterating Japan's position on various trade issues. He says: "We have to do everything up to the last minute to maintain our own demands. We have to do our best and somehow bring the matter to a settlement at the Uruguay Round. We should say whatever we have to say to keep what we have to protect." He adds: "The important thing is to promote the negotiations first."

Moderator Obama says that there are voices suggesting the acceptance of rice tariffication, and he asks Foreign Minister Watanabe to state his views. After reviewing the major points of Dunkel's comprehensive proposal, Watanabe stresses that Japan needs to sit down at the negotiating table and seek a way to protect domestic agriculture under the leadership of the Ministry of Agriculture, Forestry, and Fisheries. He states: "So far, we have refused to negotiate on the agricultural issue, but we need to listen to what the other side has to say." He then says: "We are at a stage where the government, the people, consumers, and producers are required to deal with this issue jointly."

Asked if he agrees with Foreign Minister Watanabe, MITI Minister Mori explains the significance of retaining the free trade system and says that the rice issue is not the only issue in multilateral trade talks. He states: "After all, the free trade system is linked to the peace and prosperity of the world. Japan, which has no natural resources, needs to maintain and develop this system in order to survive as a trade-oriented country. This is a must for Japan."

Agriculture Minister Tanabu reviews the efforts of the United States and the EC to promote negotiations on various issues, and says that they have agreed to talks on this issue at the Uruguay Round. He notes the fact that Japan is also exerting last-minute efforts in Geneva to bring the Uruguay Round of talks to a successful conclusion, saying: "I hope that Japanese officials in charge of negotiations will persevere in promoting their negotiations in Geneva." He continues to explain the importance of continuing discussions, saying: We should promote the negotiations "energetically."

Moderator Obama changes the subject to issues concerning measures to revive the economy. Deputy Prime Minister and Foreign Minister Watanabe says that measures will differ depending on how one sees the current economic situation, noting that opinions are divided within the LDP. He explains, however, that he believes that the current sluggish economy is still in a serious condition, saying: "Next year we should introduce economy stimulating measures, like this year's supplementary budget. I think that unless further economy-stimulating measures are provided, the upward trend will not stay on track." He adds that this issue is to be dealt with from now on.

Justice Minister Gotoda, MITI Minister Mori, and Education Minister Moriyama agree with Watanabe. Mori states that it is necessary to attach importance to economic measures when working out the fiscal 1993 budget. He says: "As the deputy prime minister has just said, I also think that the important thing is to draw up a budget for next year while giving priority to economic measures."

On this issue, Finance Minister Hayashi notes that the government is required to continue implementing recovery measures while finding ways to secure funds for the economic recovery. Turning to the issue of financial resources, Hayashi rules out the possibility of issuing deficit-covering bonds and income tax reduction, saying: "We should not expect an income tax reduction."

Moderator Obama raises a question about the Japanese Government's policy toward the Clinton government. Deputy Prime Minister and Foreign Minister Watanabe says that there will be no drastic change in the U.S. Government's foreign policy, but notes there will be some change in its policy toward China. He says: "Fundamentally, the Democratic Party and the Republican Party of the United States share the same sense of value. The United States and Japan are both free countries; we share the same views. We do not have a difference like the one between socialism and liberalism. It is not a revolution. Therefore, there will be consistency in diplomacy. It is impossible to say that all pledges the previous administration made are no longer good and that we are going to start new things; there may be some changes, however." He then explains the importance of the Japan-U.S. Security Treaty, saying: "It is unlikely that the United States will cancel the Japan-U.S. Security Treaty because it costs too much. Despite changes in our ties with the Soviet Union, the Japan-U.S. Security Treaty is the axis of our relations." He reiterates that there will no big change in Japan-U.S. relations.

In reply to a question raised by Tokyo University Professor Sasaki Takeshi about possible intensifying trade disputes, MITI Minister Mori predicts that the new U.S. Government will further call for equal treatment concerning trade issues, saying the Japanese people will be required to understand that: "The United States is a trade rival but a good partner."

The other cabinet ministers then are invited to give their impressions of President-elect Bill Clinton. Chief Cabinet Secretary Kono says: "Our impression of President-elect Clinton is that he is a leader who speaks frankly." He then predicts that debates between the two countries once again will be focused on trade issues, saying: "I have a feeling that a frank exchange of demands will be made in Japan-U.S. relations."

Education Minister Moriyama, who has met Clinton twice in the past, confirms that he is a very candid person. She says that Clinton once said: "The United States' weak point is education."

Foreign Minister Watanabe says that it is obvious that: "The Clinton administration will concentrate its efforts on the recovery of the domestic economy." He then goes on to point out: "The introduction of a heavy tax burden on foreign industries in the United States will spoil U.S. industries."

Moderator Obama moves the discussion on, to the issue of relations with Russia and asks the cabinet ministers about Japan's future policy toward this country. Foreign Minister Watanabe explains Japan's intention to support Russia in concert with the international community, while promoting talks on the northern territorial issues in bilateral negotiations. He says: "We, as a leader of international society, will do whatever international society decides to do."

Obama then moves on to minor domestic issues such as the current high school examination system and the decrease in the birthrate, and asks for the opinions of the education and home affairs ministers.

At 0125 GMT Moderator Obama wraps up the discussion, calling on the cabinet ministers to make efforts to restore the people's trust in politics.

Kanemaru Aide Refuses To Reveal Money Details

OW1112032892 Tokyo KYODO in English 0228 GMT 11 Dec 92

[Text] Tokyo, Dec. 11 KYODO—A top aide to former governing party kingpin Shin Kanemaru refused Friday to disclose how he spent an illicit 500 million yen donation from a major trucking firm at the center of a money-and-mob scandal.

Masahisa Haibara, testifying as a sworn witness before the House of Representatives's Budget Committee, admitted receiving and handling the money on behalf of Kanemaru, the disgraced former vice president of the Liberal Democratic Party (LDP).

But Haibara refused to detail how it was spent, saying he feared prosecution. He acknowledged receiving the money from Hiroyasu Watanabe, dismissed president of the now-defunct Tokyo Sagawa Kyubin Co., in January 1990, prior to the general election in February .

Asked by Committee Chairman Osamu Takatori how he distributed it, Haibara replied he was unable to answer because he feared possible criminal charges. He already has been questioned by prosecutors on suspicion of violating the political funds control law and the income tax law.

Haibara indicated the donation was unsolicited. He said Watanabe, who has been indicted on charges of aggravated breach of trust by causing huge financial losses to the company, did not attach strings to the donation.

Kanemaru, in his testimony as a sworn witness, has said he did not know how the money was distributed because Haibara was in charge of funds for the faction.

Kanemaru, who headed the largest LDP faction founded by former Prime Minister Noboru Takeshita, resigned from the lower house on October 14 after receiving a summary indictment on charges of receiving the money. He paid a 200,000 yen fine.

Haibara reportedly told prosecutors that he distributed the money to about 60 Diet members of the faction and other faction members. He denied any involvement in silencing a smear campaign by a rightist group against former Prime Minister Noboru Takeshita in 1987 when Takeshita was vying for the LDP presidency. Takeshita won the post that automatically elevated him to prime minister.

Diet Session Closes, Passes Supplementary Budget

OW1012154192 Tokyo KYODO in English 1520 GMT 10 Dec 92

[Text] Tokyo, Dec. 11 KYODO—The current extraordinary Diet session closed on Thursday with the passage of 20 bills, including the supplementary budget for fiscal 1992, a bill for partial reallocation of seats in the House of Representatives and a package of emergency political reform bills.

Prime Minister Kiichi Miyazawa will reshuffle his cabinet and party leadership Friday evening following the close of the Diet session, partly with the aim of regaining public popularity for his cabinet which has been tarnished by a money-and-mob scandal.

The legislation was passed in a plenary session of the House of Councillors late Thursday night after the ruling Liberal Democratic Party (LDP) and opposition parties waged a fierce battle on how to deal with the Tokyo Sagawa Kyubin scandal.

Voting was belated due to squabbling between the LDP and the opposition camp over an opposition-sponsored motion calling for a thorough probe into Japan's corruption-prone political system and for sweeping political reform. The six-opposition-party alliance submitted the motion to upper house President Bumbei Hara on Thursday evening, demanding that former Prime Minister Noboru Takeshita take political and moral responsibility for allegations that a gang boss played a pivotal role in helping him obtain the premiership in 1987. Although the opposition moved for an urgent vote, the motion was eventually scrapped after the midnight deadline of the current Diet session.

The opposition alliance comprised the Social Democratic Party (SDP), Komeito, and the Democratic Socialist Party (DSP), as well as Rengo Sangiin, a minor opposition group in the upper house affiliated with the nation's largest trade union federation Rengo, the Japan New Party, and Niin Club, another minor force in the chamber.

Two other opposition-sponsored motions submitted to the lower house urging that Takeshita relinquish his Diet seat and further investigation into the scandal, centered on the now-defunct Tokyo Sagawa Kyubin Co., were scrapped because of the expiration of the extra Diet session. The motions were tabled to the lower house by the SDP, Komeito, and the DSP.

Testifying under oath in both chambers of the Diet on November 26 and on Monday, Takeshita brushed aside the allegations and rejected an opposition demand for his resignation from the Diet.

The extra Diet session opened on October 30 with a 40-day term to debate the extra budget, which features a large part of the 10.7 trillion yen economic-spurring package unveiled in late August. However, the session was extended for two days until Thursday because deliberations on the Tokyo Sagawa Kyubin scandal delayed debate on other items, including the supplementary budget bill.

Diet business was stalemated for about two weeks in November to decide who would testify as sworn witnesses in the Diet on their alleged roles in the scandal. Aside from Takeshita, the figures included former LDP kingpin Shin Kanemaru, Hiroyasu Watanabe, the dismissed president of the Tokyo Sagawa Kyubin trucking firm and currently a trial defendant on a charge of commercial breach of trust, and Kiyoshi Sagawa, the owner of Sagawa Kyubin Co., which has absorbed Tokyo Sagawa Kyubin. Kanemaru testified under oath from a hospital bed on November 27 and acknowledged his links with the gang boss in successfully quashing a 1987 right-wing smear campaign against Takeshita.

Also Thursday, the upper house passed bills to reallocate seats for the lower house to reduce the disparity in the weight of votes between more and less populous constituencies and to stiffen penalties for politicians who accept illegal political donations.

Budget Delay May Lead to Credit-Easing Pressure

OW1012142892 Tokyo KYODO in English 1417 GMT 10 Dec 92

[Text] Tokyo, Dec. 10 KYODO—Despite the Diet passage on Thursday of a fiscal 1992 supplementary budget designed to prop up the economy, pressure for monetary easing is likely to increase as the economy is showing no signs of an early recovery, analysts said.

The Diet approval of the extra budget will put into effect the remaining part—some 3.9 trillion yen in public works spending—of the 10.7 trillion yen fiscal stimulus package unveiled in late August.

But the one-month delay in the passage from the Finance Ministry's original schedule is likely to cause some of the public works expenditure for snowy areas to be postponed into fiscal 1993, which begins next April.

Meanwhile, recent indicators show the economy is still on the decline. The Gross National Product (GNP) in the July-September quarter posted the first contraction in more than three years, while in October the ratio of jobs offers to job seekers sank below the critical 1.0 level for the first time since May 1988. The government described the economy as "crawling along the bottom."

Economists in the private sector believe the government's growth target of 3.5 percent for fiscal 1992 is completely out of reach. Many say the pace of expansion will probably slow to around 1.5 percent, the lowest since 1974 when the economy, hit by the recession following the first oil crisis, posted the first and only negative annual growth in the postwar period.

"I don't think we can reasonably expect to see growth of more than 2.0 percent for the current fiscal year," said Yasumori Takahashi, a senior economist at the Industrial Bank of Japan. The call for credit easing and an additional fiscal package is already becoming increasingly vocal among businesses.

Financial markets and economists are watching to see when the Bank of Japan (BOJ) will cut the official discount rate for the sixth time in the current phase of monetary easing. The Finance Ministry remains cautious about suggesting any additional fiscal measures.

Ministry officials argue that the steps that have already been announced should be fully implemented first, and their effect on the economy monitored. There are faint signs, however, that indicate a slightly more accommodative monetary stance by the central bank.

The BOJ has allowed the overnight unsecured call money rate, which the central bank controls to signal its policy stance, to fall considerably in recent weeks, and central bank economists are voicing concern about the weakness of business conditions.

"We cannot allow the economy to continue crawling through a trough for too long," a senior BOJ official said.

The market is now waiting for the BOJ's quarterly survey on business conditions due out Friday. Most analysts expect the survey, known as "tankan," to show a further deterioration in business confidence.

"The cut (in the rate) could come at any time now," Takahashi said.

Economic Planning Chief Says Recovery 'Near'

OW1112064892 Tokyo KYODO in English 0354 GMT 11 Dec 92

[Text] Tokyo, Dec. 11 KYODO—Japan's economy appears to recover in the near future, Economic Planning Agency Chief Takeshi Noda said Friday.

Noda, the agency's director general, told reporters after the day's cabinet meeting that he sensed the economy is finally crawling out of its low. "We will hear good news for a brighter economy from next spring," he said. Noda said the economy should be stimulated by the pump-priming supplementary budget for this fiscal year, which passed by the Diet on Thursday, and the budget for the next fiscal year.

MITI Head: 120 Yen to Dollar Favorable Level

OW1112065992 Tokyo KYODO in English 0516 GMT 11 Dec 92

[Text] Tokyo, Dec. 11 KYODO—International Trade and Industry Minister Kozo Watanabe said Friday he would like the Japanese yen to remain stable at around 120 yen to the U.S. dollar in foreign exchange dealings.

Even better is a quote of just below 120 yen to the dollar, Watanabe told reporters after a cabinet meeting. The dollar closed the Friday morning session in Tokyo interbank trading at 123.67 yen, down 0.43 yen from Thursday's close of 124.10 yen, and down 0.16 yen from its 123.83 yen opening.

Watanabe suggested that even if the dollar falls to the upper half of the 110 yen level, Japanese companies would not be badly affected in terms of profits and competitiveness. Turning to stock prices, Watanabe reaffirmed his hope that the Nikkei stock average of 225 selected issues bounces back above 18,000 points.

North Korea

Pyongyang Radio Reports 14 Dec JNCC Meeting

SK1412132192 Pyongyang Korean Central Broadcasting Network in Korean 1215 GMT 14 Dec 92

[Text] The 8th members' contact of the North-South Joint Nuclear Control Committee [JNCC] was held at the conference room of the Neutral Nations Supervisory Commission in Panmunjom on 14 December.

At the contact, our side first noted that our just demand that the South side withdraw the decision to resume the Team Spirit joint military exercise by 15 December and make it public at home and abroad that it is an urgent problem for the successful progress of the discussion of the inspection rules, and said that the members' contact, which made smooth progress in the past, is now experiencing vicissitudes because the South side has decided to resume the suspended aggressive large-scale nuclear war rehearsal.

Our side said that although it is proper that the two sides should adopt the implementation agreement in the first place and then discuss the inspection rules to faithfully implement the joint declaration on denuclearization, the South side continued insisting on the discussion of the nuclear inspection rules and produced the draft of the implementation agreement belatedly last July, thereby delaying the discussion of the issue of implementing the joint declaration as long as four months.

Our side noted that although the South side urges us to discuss the inspection rules as soon as possible, they in fact do not want it at heart. Our side then added that while the South side schemes to exclude the U.S. nuclear weapons and nuclear bases in South Korea from the inspection sites, they inserted the term "nuclear weapons" in the draft of inspection rules two months later, stubbornly opposing inserting the expression "nuclear base" even today. Our side then noted that the South side unjustly came up with the so- called inspection of ordinary military bases, special inspection, and inspection of equal number of sites, thus intentionally delaying the discussion of the inspection rules.

Our side also said, citing specific facts, that the North-South nuclear inspection is delayed because the South side has attempted by all means to hide the nuclear weapons development which they have pushed ahead.

Our side said that under the circumstances where a large-scale nuclear war rehearsal is planned in South Korea and where nuclear weapons are being developed, it is in fact meaningless to discuss the nuclear inspection rules for denuclearization itself. Our side then stressed that if the South side truly wishes to discuss the inspection rules and realize the denuclearization of the Korean peninsula, they should cancel the decision to resume the Team Spirit joint military exercise by 15 December, make it public at home and abroad, unconditionally accede to the overall inspection of the U.S. nuclear weapons and nuclear bases in South Korea, and affirmatively respond to our just proposal to disclose the truth of the nuclear weapons development.

The South side avoided answering this question and repeated its previous unreasonable allegation that the Team Spirit joint military exercise is a defensive exercise. It also made groundless remarks that there are no nuclear weapons and nuclear bases in South Korea because the top person in authority had already declared that there are no nuclear weapons and because the United States had stated that it had withdrawn its tactical nuclear weapons.

Then, our side asked the South side whether South Korea is a region to which the U.S. nuclear policy of neither confirming nor denying the presence of nuclear weapons applies and whether the South side meant to say that it had abandoned the plan to be protected under the U.S. nuclear umbrella.

Then, the South side said that the U.S. policy still applies to South Korea. In this way, it openly showed its toadyist, treacherous position.

The two sides discussed Clause 3 on selection of inspection sites for the verification of denuclearization. However, they failed to reach any agreement because of the South side's unreasonable demand.

The South side's maneuvers to delay nuclear inspections were more openly shown in today's contact.

Our side said: Our side's draft rules stipulate principles on inspections, inspection targets, and inspection methods. They also stipulate that nuclear weapons, nuclear bases, nuclear materials, and nuclear facilities shall be fully inspected. However, the South side's draft rules are filled with unreasonable and unjust provisions.

Our side also said: The nuclear inspection targets that the South side proposed do not include the U.S. nuclear weapons and nuclear bases but include ordinary civilian facilities. They do not include the withdrawn or abolished nuclear weapons and nuclear bases but include the nuclear reactors which had already been abolished. In this way, the South side's proposal contains completely unreasonable clauses.

In concluding the contact, our side stressed that if the South side truly has an intention to draft rules of inspection, it must bring draft rules that are based on sincerity and frankness and that it must give replies without fail to our side's three important proposals at the 13th North-South JNCC meeting on 17 December.

The two sides agreed to set a date for the next members' contact at the 13th North-South JNCC meeting.

Committee Leaders Demand Repeal of Team Spirit

SK1212042992 Pyongyang Korean Central Broadcasting Network in Korean 0322 GMT 12 Dec 92

[Telephone notice from the DPRK chairmen of the North-South Reconciliation, Military, Economic, and Social and Cultural Joint Committees to the ROK chairmen on 12 December—read by announcer]

[Text] As your side knows, a spokesman for our side's delegation to the North-South high-level talks sent a telephone notice to your side on 4 December. In the notice, our side asked your side to cancel the decision to resume the Team Spirit joint military exercise by 15 December, the first anniversary of the adoption of the North-South agreement, to operate all the joint committees at an early date, and to hold the ninth North-South high- level talks on the scheduled dates. This is a very just measure, which was taken out of the single desire to open a new phase in North-South relations and to give joy to all fellow countrymen, who will soon celebrate the New Year, by promoting a favorable atmosphere for operating the suspended North-South joint committees in December at all costs and for holding the ninth North-South high- level talks as scheduled.

This measure by our side fully reflects the earnest desire and aspirations of people at home and abroad who hope that progress will continuously be made in North-South relations in our country and that a new era of reconciliation and cooperation will come at the earliest possible date.

In compliance with this just demand by our side and with the fellow countrymen's earnest desire, your side should have taken measures to operate the joint committees and hold the ninth North-South high-level talks on the scheduled dates. However, in its 10 December telephone notice, your side tried to justify its unjust act, reiterated its past wrongful position, and challenged us by saying that your side had no alternative but to resume the Team Spirit joint military exercise. This shows that your side no longer wants the operation of the North-South joint committees or dialogue between the two sides' authorities, and that it is seeking the insidious purpose of returning North-South relations to their original state of confrontation.

Your side deliberately thwarted the first meetings of the joint committees by conducting the large-scale Hwarang and Eagle-92 military exercises. This time, your side ignored our magnanimity and sincerity and assumed an attitude of rejecting dialogue. This is a flagrant violation of the mutual agreement and a betrayal of the fellow countrymen's earnest desire.

Your side was busy giving clumsy explanations, stating that the Team Spirit joint military exercise had nothing to do with dialogue because it is an annual defensive exercise, and that your side had no alternative but to resume military exercises at a time when nuclear inspections have not been conducted.

Needless to say, the Team Spirit joint military exercise—which is conducted for three months on land, sea, and in the air, and in which approximately 200,000 troops, including tens of thousands of U.S. troops from the U.S. mainland and the Asian-Pacific region, ultramodern equipment for attack operations, and even (?nuclear weapons) are mobilized—could never be a defensive exercise, but rather a war exercise for northward aggression and a test nuclear war designed to attack us.

On this occasion, we again remind your side that the United States and high-level authorities of your side said long ago that the Team Spirit joint military exercise is a nuclear war exercise designed to attack us at one blow.

Your side linked the Team Spirit joint military exercise to the implementation of the joint denuclearization declaration and stated that it would have no alternative but to resume the military exercise if nuclear inspections were not conducted before the ninth North-South high-level talks. This is an unreasonable contention.

As is well known, the documents which delegates of both sides to the North-South high-level talks agreed on and signed on 31 December last year made it clear that the North side would sign the Nuclear Safeguards Accord and receive the International Atomic Energy Agency's inspections and that the South side would suspend the Team Spirit joint military exercise. Nevertheless, your side distorts the facts and uses North-South nuclear inspections, which are not stipulated in the documents of agreement, as a pretext for resuming the Team Spirit joint military exercise. This is mere sophistry, which cannot convince anyone.

As a matter of fact, your side is demonstrating its attempt to prevent the implementation of the North-South agreement and joint denuclearization declaration, avoid inspection of the U.S. nuclear weapons and nuclear bases, and conceal its on-going secret nuclear weapons development at all costs by conducting the Team Spirit joint military exercise.

Moreover, today, when a mere 10 days are left before the ninth North-South high-level talks, your side states that it will resume the Team Spirit joint military exercise if no North-South mutual nuclear inspection is conducted. This is impractical empty talk.

Your side also insists, unilaterally, that mutual inspections be conducted based on its own unjust rules of inspection. We cannot but say that this is merely a deliberate attempt to indefinitely delay nuclear inspections and to abort the North-South high-level talks under the pretext of nuclear inspections.

Running counter to dialogue, detente, and peace, your side is planning to start the aggressive Team Spirit joint military exercise with outside forces. This criminal act by your side can in no way be justified.

Not only the operation of the North-South joint committees but also the ninth North-South high-level talks are seriously endangered. This reality urgently demands that your side abandon its wrongful attitude and unconditionally cancel the measure to resume the Team Spirit joint military exercise.

Our side again stresses that if your side continuously pursues the plan to conduct the Team Spirit joint military exercise despite our side's patient efforts and repeated warnings, it will be fully held responsible for all the consequences that may arise therefrom.

KCNA Reviews 12 Dec Pyongyang Press

SK1212050592 Pyongyang KCNA in English 0432 GMT 12 Dec 92

[Press review]

[Text] Pyongyang December 12 (KCNA)—Papers here today give prominence to reports about the 4th session of the 9th Supreme People's Assembly [SPA] of the DPRK held in Pyongyang Friday.

Papers give an account of the session with a picture of the platform. They publish the ordinance of the SPA on the adoption of the law on forests of the Democratic People's Republic of Korea which was carried there and "the Law on Forests of the DPRK."

It is reported in papers that Comrade Kim Chong-il sent 60th birthday and birthday tables to delegates participating in the Korean intellectuals meeting.

NODONG SINMUN conveys news that Comrade Kim Chong-il sent thanks to Kim Kwon-hui, a student of Pyongyang university of mechanical engineering, who came over to the DPRK, breaking with the South Korean society, after reading a letter from the latter.

Carried in papers are decrees of the Central People's Committee of the DPRK on discharging and appointing some members and ministers of the administration council of the DPRK.

NODONG SINMUN prints a message of greetings sent by the C.C. [Central Committee], the WPK [Workers Party of Korea] to the 9th Congress of the People's Democratic Union of Portugal.

Seen in papers are an account of the third-day session of the Korean intellectuals meeting, speeches made there and a congratulatory message of a congratulatory group of workers and agricultural working people to the meeting.

A joint statement of the Workers' Party of Korea and the democratic intervention of Portugal which was made public in Lisbon stresses that only socialism brings genuine democracy, freedom and happiness to the people and the international fact-finding group on wartime crimes of old Japan continues investigation in Pyongyang, according to the press.

Appearing in papers is a statement published by the Committee for the Peaceful Reunification of the Fatherland concerning the exposure of the truth of the development of nuclear weapons of the South Korean authorities by the Central Committee of the South Korean National Democratic Front.

Papers inform the readers that the U.S. imperialists and the South Korean puppets staged military exercises against the North.

Papers in commentaries denounce the present "cabinet" of South Korea for abusing "government" power to back the "candidate of the "democratic liberal party" after talking a lot about "neutrality".

Foreign news columns of papers include reports that Comrade Fidel Castro elaborated on the achievements of Cuba in health care, the Tanzanian president condemned moves for national split and the Malaysian prime minister called for support to the economic policy of the government.

Papers reprint an article of the Japanese magazine economist headlined "can Japanese say they are better than Nazis?"

South Korea

Joint Nuclear Control Committee Contact Held 14 Dec

SK1412053492 Seoul TONG-A ILBO in Korean 14 Dec 92 p 2

[Text] The North and South held their Joint Nuclear Control Committee members' contact at Panmunjom on 14 December. They discussed the article "Selection of Nuclear Facilities for Inspection" contained in chapter three of the mutual inspection regulations document.

The South side asserted in today's contact: To make practical progress in mutual inspection, inspection should be conducted on all facilities. This includes military bases.

Talks 'Without Progress'

SK1412090692 Seoul YONHAP in English 0900 GMT 14 Dec 92

[Text] Seoul, Dec. 14 (YONHAP)—South and North Korea discussed the selection of the objects of inter-Korean nuclear inspection without progress at a meeting of the Joint Nuclear Control Commission (JNCC) at Panmumjom Monday.

The South requested that all inspection rules be drawn up before the ninth inter-Korean premiers' talks, slated to open next week in Seoul, and that the North show sincerity in the JNCC contact to realize mutual nuclear inspections.

Seoul urged Pyongyang to continue the contacts between JNCC members until the 13th plenary meeting of the JNCC, scheduled for Thursday.

But the North rejected Seoul's call, saying that the South should back off from the plan to resume the Seoul-Washington "Team Spirit" joint military exercise above anything else.

A South Korean official at the meeting said that the JNCC contacts were likely to be suspended for some time after the 13th meeting because the North had already refused the senior liaison officials' contact for preparation of the ninth inter-Korean high-level talks.

Government 'Could Study' Role in Somalia Rehabilitation

SK1412103692 Seoul YONHAP in English 0939 GMT 14 Dec 92

[Text] Seoul, Dec. 14 (YONHAP)—The government could study ways to take part in phased plans to rehabilitate Somalia once the current operation Restore Hope, led by U.S. troops, is completed there, a Foreign Ministry official said Monday. The official said, however, that there is no plan to support the operation Restore Hope itself nor is post-war participation being studied seriously.

Saying Washington expressed the "general view" before the foreign diplomatic corps prior to the Somalia operation that world countries' support is needed not only for the operation but also for post-operation rehabilitation programs, the official said there has been no express request to Korea so far from the U.N. or the U.S. for concrete support. However, he said, the government may consider participation in phased rehabilitation programs sponsored by the United Nations if such a need arises depending on circumstances.

The official said that the U.N.'s phased-stage plan is to wind up Operation Restore hope in two to four months: Withdraw the U.N.-sponsored forces and in return send U.N. peace-keeping troops: Convene an international meeting to end civil war in Somalia: Funnel relief goods in a large scale: And carry out rehabilitation.

About a peace-keeping force [PKF] plan, the official said a plan to dispatch peace keeping troops numbering more than 10,000 would be mapped out by the U.N. Security Council. He then suggested that Korea may participate in the PKF plan if asked. Another official said the government is studying a plan to provide a relief fund to Somalia separate from support for military operation.

"So far, our government-level relief funds have been negligible and the U.N. is likely to ask countries for relief funds," said the official, adding that the government is considering furnishing a relief fund out of reserve funds earmarked in the new year's budget plan.

Relations With Republic of Georgia Established

SK1412011092 Seoul YONHAP in English 0045 GMT 14 Dec 92

[Text] Seoul, Dec. 14 (OANA-YONHAP)—South Korea and the Republic of Georgia established diplomatic ties Monday. The protocol on diplomatic normalization was signed in Moscow and took immediate effect, the Foreign Ministry said. Seoul recognized the former Soviet republic in April and now has full relations with 169 countries.

North's Reshuffle Seen as 'Act of Desperation'

SK1312053292 Seoul THE KOREA TIMES in English 13 Dec 92 p 9

[By staff reporter Kim Chang-yong]

[Text] North Korea's sudden replacement of Premier Yon Hyong-muk with a younger economic technocrat is widely seen here as an act of desperation to bail out the ailing economy and improve the living standards for its 22 million people.

New Prime Minister Kang Song-san, backed by President Kim Il-song and his heir-apparent son Chong-il, is likely to push ahead with economic reform, albeit in a limited scope, more assiduously while trying not to affect the political system of the reclusive Stalinist state using the China model, Seoul analysts say.

Early in October, the North enacted comprehensive laws to soften regulations on foreign investment and provide incentives for it, which were endorsed by the Supreme People's Assembly Friday [11 December], in a gambit to attract Western capital and put vigor into its floundering economy.

Kang pursued a gradual economic development policy and authored the Law on Joint Venture, the North's first legal basis for foreign investment, in 1984 when he first led the Administration Council (Cabinet).

Since his retirement he sought massive development of free trade zones in Najin and Sonbong and an international industrial estate in the nearby Tumen River estuaries as chief provincial party secretary of Hamgyong-pukto.

Kang's reforms will be supported by Kim Tal-hyon, deputy prime minister for external economic cooperation, and Kim Yong-sun, secretary of the powerful Workers' Party for international relations, both up for Politburo membership, the analysts said.

Kim Tal-hyon has been deeply involved in the economic thaw with South Korea particularly with regard to a plan for a special economic zone in Nampo, about 60 kilometers southwest of Pyongyang, and Kim Yong-sun has been in charge of appeasement with the United States and Japan.

Born in 1931 in Hamgyong-pukto, Kang Song-san, reportedly related with Kim Il-song, was tapped as a member of the party Central Committee in 1970 and three years later put on the waiting list for Politburo membership, almost simultaneously with Kim Chong-il's surge to the corridor of power.

He became a deputy prime minister in 1977 and concurrently took charge of the Railroad Ministry in 1979. One year later when Kim Chong-il was formally recognized as the second in power only next to his aging father, Kang was elected a Politburo member.

After accompanying Kim Il-song on his tour to Eastern Europe and witnessing their economic development in 1984, he hurriedly legislated a joint venture law.

Under the makeshift law, further beset by poor infrastructure and rigid business climate, however, no more than $150 million has so far been funneled into the North in 140-odd projects.

Apparently for his failure to boost the economy, he was dismissed in 1986 and replaced by another economic specialist Yi Kun-mo.

He now sees a more bumpy road to go than he did several years ago and his comeback just means a heavier burden to shoulder, according to the analysts.

"Kang who savored bitter tastes due to poor economic performance will push for aggressive economic reform this time but his task seems to big to carry out in a short span of time," a senior Economic Ministry official said.

He presumed that Yon Hyong-muk's dismissal might also be for economic reasons—low credit for the seven-year development plan.

North Korea's economy, dogged by crucial hard currency shortages and increasing debts, declined 5.2 percent last year following a 3.7-percent drop the previous year, according to statistics compiled by the Bank of Korea.

Its gross national product is estimated at $22.9 billion, about one-twelfth of that of the South's.

Seriously affected by Russia's demand for market prices and payment of hard currencies, the North's trade also shrank to $2.7 billion—$1 in exports and $1.7 in imports. Outstanding debts may hover between $5-5.5 billion.

But the even more critical problem is food shortages which are fueling complaints among people to the extent to which they led to open protests, according to some Western media.

A Seoul government agency, the Office of Rural Development, put the estimate of the North's foodstuff production at 4.4 million tons last year, about 2 million tons shy of demand.

New North Premier Seen as Move To Improve Economy

SK1312041492 Seoul THE KOREA HERALD in English 13 Dec 92 p 6

[Editorial: Shakeup in N.K. Hierarchy]

[Text] North Korea Friday reinstalled Kang Song-san as premier in a surprise shakeup seen to be aimed at reinforcing its hardline regime's bid to overcome economic woes and international isolation. Pyongyang's parliament which rubber-stamped the nomination also unanimously approved three new laws on foreign investment, joint ventures and foreign enterprises.

Observers here say North Korea's selection of Kang, a technocrat well versed in economic matters, as new premier indicates that the Communist regime will place priority on reforming its ailing economy, while stressing economic exchange and cooperation in inter-Korea relations, rather than political aspects.

The legislation of the three new laws is also seen as a gambit to woo foreign capital and technology to spur North Korea's Stalinist economy while maintaining ideological identity. Simultaneously, the latest move shows that the Pyongyang regime has apparently reached the limit in its so-called self-reliant economic policies.

Certainly, the Pyongyang leadership finds it impossible to escape its economic quandary without restructuring economic policies and opening society to the outside world. Their professed dogmatic fidelity notwithstanding, they have found it increasingly unavoidable to follow the move toward reform and openness in former East bloc countries including China.

To our dismay, however, Pyongyang's Communists have yet to abandon their belligerent adventurism aimed at communization of the entire Korean Peninsula, as shown in the recently divulged subversive mass espionage operation in the South behind a smoke screen of peace rhetoric. Some even suspect that Pyongyang's sudden switch to an open-door economic policy is partly aimed at making it appear to be peace-oriented.

Such being the case, we cannot help but doubt that outside capital, if introduced to North Korea, would really be used only for genuine economic development. Misuse could militate against securing peace in this part of the world—especially considering the geopolitically delicate position of the Korean Peninsula.

Pyongyang would be well advised to improve its image as a civilized member of world society. This would entail Pyongyang showing sincerity in efforts to establish peace on the peninsula. It can do so by first complying with the inter-Korea mutual nuclear inspection to clear away worldwide suspicion of North Korea's nuclear weapons development design.

We see no reason to oppose attempts to improve the living standards of the North Korean people; in fact, this Republic has time and again proposed that the South and North step up economic exchange that could benefit both sides. But we cannot help but be wary of the Pyongyang leadership's actual intentions behind its outward gestures.

The Pyongyang regime must prove its words with meaningful deeds. Sincere efforts to establish peace is the best way to ensure successful implementation of North Korea's professed economic reform policies.

Chong Chu-yong, Yi Chong-chan Announce Party Merger

SK1412015292 Seoul YONHAP in English 0142 GMT 14 Dec 92

[Text] Seoul, Dec. 14 (YONHAP)—Chong Chu-yong, presidential candidate of the United People's Party [UPP], and Yi Chong-chan, chairman of the New Korea Party, announced a merger of their parties on Monday.

At a press conference, Chong and Yi said the merged party would be called the United People's Party and be headed by a collective leadership of two chairmen. If Chong were elected president on Dec. 18, they said, they had agreed to change the Constitution to introduce a parliamentary form of government during the first half of his five-year presidential term.

Meanwhile, Yi notified the Central Election Management Committee that he will withdraw his candidacy for president as the standard bearer of the New Korea Party. The number of presidential candidates was reduced to seven. As a result of the merger, the United People's Party has now 37 seats in the 299-seat National Assembly.

Declaring that he was no longer a presidential candidate, Yi told the press conference that his party decided to merge with the UPP to realize constitutional reform and to build up the UPP as a truly democratic political party. Yi said he was convinced that Chong would be the most able political leader, who could create constructive and productive politics. He said he would do his utmost for his election.

Chong hinted that he would leave all party affairs to Yi by saying he would lead the party with responsibility in the future.

Bullet Holes Found at UPP Headquarters

SK1212094292 Seoul YONHAP in English 0930 GMT 12 Dec 92

[Text] Seoul, Dec. 12 (YONHAP)—Two bullet-pierced holes were found on the glass window of the United People's Party [UPP] headquarters building in central Seoul Saturday, it was learned.

The holes measured one centimeter and 0.5 centimeter in diameter, respectively, seemed to be made by air rifle balls because the glass is almost one centimeter thick. The Seoul Metropolitan Police asked the National Institute of Scientific Investigation to conduct on the spot probes into what perforated the glass, a police source said.

Security guard Pak Chong-man said that he ran out after hearing something like "zap" at two o'clock A.M. in the lobby but came across nothing except the two holes at intervals of two centimeters on the entrance window.

Foreign Minister Accents ROK-U.S. Grass-Roots Relationship

SK0712024092 Seoul YONHAP in English 0221 GMT 7 Dec 92

[Text] Seoul, Dec. 7 (OANA-YONHAP)—South Korea and the United States need to nurture a grassroots-level relationship for stronger cooperation, Foreign Minister Yi Sang-ok said Monday. He called on religious leaders to lead the way in healing the scars of the Los Angeles riots and urged the Korean community in America to become a link in Seoul-Washington relations.

"A new president will take office in Korea in February next year, about one month after the United States," Yi said at a luncheon for a group of visiting American clergymen led by the Rev. Wyatt Walker.

"We believe that, under the new administrations in both countries, the Korea-U.S. partnership will continue to grow strong, for our partnership is a traditional friendship, deeply rooted in an ever-growing interdependence, in common values and ideals, and most of all, in the warm feelings between our two peoples that are nurtured by the grassroots-level exchanges such as your visit," Yi said.

Korea expected Korean-Americans to do their best in a harmonious, multi-racial society and to work closely with their neighbors for the development of the community, the foreign minister told the U.S. clerics.

"By doing so, the Korean community will become an important link that helps our two countries grow closer together," he said.

Financial Institutions To Undergo Special Audit 5-17 Dec

SK0512060692 Seoul THE KOREA HERALD in English 5 Dec 92 p 8

[Text] All financial institutions, including foreign banks operating here, will undergo a special auit from Dec. 5 through Dec. 17, the Office of Bank Supervision [OBS] said yesterday.

The action is intended to prevent loans or corporate funds from being channeled into the political circles in this president election campaign season, said a senior OBS official.

The special audit will be focused on businesses which set an excessive ceiling on operating funds or recently withdrew huge sums of cash from financial institutions, he said.

The bank watchdog body will direct financial institutions to withdraw immediately loans extended to companies which are found to have diverted the money into other purposs than originally planned and exclude them from it's "core company" list, he said.

The companies which are found to have violatd credit control regulations will be banned from borrowing money from banks and other financial institutions for a certain period, he said.

Officials or employees of financial institutions which are found to be involved in illegal lons will also face strong disciplinary actions from the OBS, he said.

Government To Join Two Conventions on Oil Pollution Damage

SK0512084092 Seoul YONHAP in English 0244 GMT 5 Dec 92

[Text] Seoul, Dec. 5 (YONHAP)—The government has decided to join two international conventions on oil pollution damage that would entitle Korea to greater international compensation.

They are the protocol to the International Convention on Civil Liabilities for Oil Pollution Damage, 1969, and the International Convention on the Establishment of an

International Fund for Compensation for All Pollution Damage. The International Maritime Organization (IMO) in London will be informed of the decision by the Korean Embassy in London, according to a Foreign Ministry official. The protocols will take effect for Korea on March 8, 1993, 90 days after the IMO is informed of the decision.

Korea is currently entitled to oil damage compensation of only 16 billion won (14 million special drawing rights). With entry, however, the limit will rise to about 67 billion won (60 million SDR [special drawing rights]).

The government plans to join as many international conventions related to oil pollution compensation as possible, according to the official.

Burma

UNHRC Official Visits Insein Jail, Towns

BK1112142392 Rangoon Radio Burma in Burmese 1330 GMT 11 Dec 92

[Excerpts] Professor Yozo Yokota, visiting United Nations Human Rights Commission representative, called on Major General Maung Thint, minister for border region development and national races, at 1400 today at the Office of Ministers. [passage omitted]

At the meeting, officials explained how all human rights such as education, social service, health, water supply, electric power, road and bridge construction, agriculture, and social and economic development are being provided in border regions, which had lagged behind in development for generations.

In the afternoon, Prof. Yozo Yokota visited the Central Jail of the Prisons Department in Insein, where he was welcomed by U San Lin, director general of the Prisons Department; U Ohn Han, deputy director general; and responsible officials. After Prof. Yozo Yokota was taken on a tour of the Insein Central Jail, the deputy director general gave a briefing on the Prisons Department in the conference hall of the jail. Authorities concerned answered questions from Prof. Yozo Yokota and his delegation.

In the morning, Prof. Yozo Yokota visited the project office of the New Dagon satellite town where he was welcomed by Colonel Sein Htwar, chairman of the Committee for Construction of New Dagon Satellite Town and commander of the 77th Light Infantry Division and departmental officials. Yangon [Rangoon] University Rector Dr. Tun Maung first explained matters relating to the construction of university in the satellite town and Col. Sein Htwar explained the location and construction of New Dagon, Shwepyethar, and Hlaing Thayar satellite towns.

The commander and officials concerned answered questions raised by Prof. Yozo Yokota. [passage omitted]

Inspects Refugee Repatriation

BK1312142892 Rangoon Burma Television Network in Burmese 1330 GMT 13 Dec 92

[Text] Visiting United Nations Human Rights Commission Representative Professor Yozo Yokota accompanied by U Nyunt Swe, deputy minister for foreign affairs; Colonel Ye Htut, curator of the military history museum and the defense services archives; U Ba Thwin, director general of International Organizations and the Economics Department of the Ministry of Foreign Affairs; U Maung Aung, director general of the Immigration and Manpower Department; and Lieutenant Colonel Kyaw Thein from the Directorate of Defense Services Intelligence, left Rangoon by a military aircraft on 12 December morning and arrived at Akyab Airport, Arakan State, at 0920.

Professor Yozo Yokota, deputy minister U Nyunt Swe, and party toured, inspected, and studied the reception centers for those who fled to the country on the other side.

Opposition Condemns Convention Participants

BK1012013692 Hong Kong AFP in English 1435 GMT 9 Dec 92

[Text] Bangkok, Dec 9 (AFP)—Burma's opposition in exile has condemned former colleagues who have agreed to take part in a national convention on a new constitution to be held in Rangoon next month.

Members of the National League for Democracy (NLD), who fled to geurrilla-controlled areas, said the current NLD leaders in Rangoon who have agreed to participate in the junta's national convention, are traitors and should be condemned by the Burmese people.

The condemnation was published in a statement released by the NLD (Liberated Area) group here Wednesday.

The NLD was founded by Aung San Suu Kyi and other pro-democracy leaders at the height of a 1988 uprising against the military government. After putting on the protests with substantial loss of life the regime promised to hold general elections.

The NLD won a landslide in the May 1990 polls despite the fact that leader Aung San Suu Kyi was already under house arrest.

The junta has ignored the election result, saying that a national convention must be held and a new constitution drawn up before any transfer of power can be considered.

Burma's opposition in exile and ethnic minority guerrilla groups have dismissed the national convention, which the regime has already ordered must enshrine a leading role for the military.

Although many of its leaders have been arrested and imprisoned and others have fled into exile, the regime never banned the NLD. The current NLD leadership in Rangoon, which analysts say is under intense pressure from the regime, expelled Aung San Suu Kyi from the party late last year.

The NLD (Liberated Area), which is made up of politicians who won seats in the May 1990 polls as well as party members and workers, said he current NLD leadership "chose to kneel before" the junta and completely betrayed the principles agreed upon by the party.

Aung San Suu Kyi is still being detained in her Rangoon home.

Brunei, Malaysia & Singapore

Malaysia

Northern Growth Triangle in ASEAN Viewed

BK1412091692 Kuala Lumpur BERNAMA in English 0817 GMT 14 Dec 92

[Text] Kuala Lumpur, Dec 14 (OANA-BERNAMA)—Development of the proposed northern growth triangle encompassing northern Malaysia, southern Thailand, and northern Sumatera would be speeded up, Malaysian Foreign Minister Abdullah Ahmad Badawi said Monday.

Malaysian business leaders and government officials have been holding discussions on the proposal with their counterparts in the two neighbouring ASEAN countries to finalise the concept of the proposed triangle which is seen as another catalyst for the economic development of ASEAN, he added.

"We discussed the northern growth triangle and agreed that whatever plans to develop the area be speeded up for the benefit of the countries involved," he told reporters after talks with visiting Thai Foreign Minister Prasong Sunsiri here.

Abdullah said recommendations for the proposed growth triangle would be discussed at the next Malaysia-Thailand Joint Commission meeting.

Besides bilateral matters, other issues discussed at the two-hour meeting were implementation of the ASEAN Free Trade Area (AFTA), the Cambodian peace process, and Japan's stand on the East Asian Economic Caucus (EAEC).

Abdullah said inquiries made by the Malaysian Embassy in Tokyo found that there was no indication that the Japanese Government opposed the EAEC proposal, which is to be a caucus and not a trading bloc.

The EAEC would not be a group which practised protectionist policies but would support the Asia-Pacific Economic Cooperation (APEC) forum and the General Agreement on Tariffs and Trade (GATT), he added.

Prasong, appointed to the Thai cabinet three months ago, is on a two-day official visit here which ends Monday. The visit is part of his familiarisation tour of the region.

Minister Urges 'Some Ideas' for Peace Process

BK1412111492 Kuala Lumpur BERNAMA in English 0950 GMT 14 Dec 92

[Text] Kuala Lumpur, Dec 14 (OANA-BERNAMA)—The Paris peace accord must be fully implemented in Cambodia but "some ideas" need to be injected by ASEAN into the peace process to persuade the Khmer Rouge to cooperate, Malaysian Foreign Minister Abdullah Ahmad Badawi said Monday.

He said "one or two items, slightly out" (of the peace pact) could be incorporated into the peace process to accomodate the Khmer Rouge.

After all, he added, the objective of the United Nations-brokered Paris peace accord was to bring peace to Cambodia.

"The ideas to be incorporated in the agreement may not have the finality ... [ellipsis as received] There may be some other ideas at a later stage, seeing the situation on the ground," he told reporters after holding talks with visiting Thai Foreign Minister Prasong Sunsiri here.

The ultra-Maoist Khmer Rouge and two non-communist factions—the Sihanoukists and the Khmer People's National Liberation Front (KPNLF)—signed the peace pact with the the Phnom Penh government of Heng Samrin in October 1991.

Under the pact, the four factions were to lay down arms and jointly administer the country under the interim Supreme National Council under Prince Norodom Sihanouk until UN-supervised general election next May.

The plans hit a snag when the Khmer Rouge refused to disarm.

Abdullah said the "ideas" need to be discussed with the agreement cochairmen Indonesia—an ASEAN member—and France.

Efforts towards this end must be carried out as soon as possible, he added.

Last month, the UN Security Council announced trade sanctions against the Khmer Rouge for refusing to disarm under the terms of the Paris peace accord.

Abdullah said: "If the Khmer Rouge persists to remain stubborn, it is going to be a terrible disadvantage to them. I don't see China giving them support."

At the same time, he added, isolating the Khmer Rouge would make the situation in Cambodia unstable as they were estimated to have at least 10,000 armed guerrillas.

The UN Transitional Authority in Cambodia (UNTAC), the world's largest peacekeeping operation, is charged with creating a neutral political environment in the runup to elections before May 1993.

Institute Predicts 7.5 Percent 1993 Economic Growth

BK1112122992 Kuala Lumpur NEW STRAITS TIMES in English 9 Dec 92 p 14

[By Charles Raj]

[Text] The Malaysian Institute of Economic Research (MIER) has forecast an economic growth rate of 7.5 per cent for the Malaysian economy next year, slightly lower than its earlier forecast of 7.8 per cent.

The forecast is also lower than the Treasury's eight per cent.

MIER has also forecast next year's inflation rate at 4.7 per cent compared with four per cent by the Treasury.

MIER executive director Datuk Dr Kamal Salih in presenting MIER's paper on "National Economic Outlook 1993-94" at the MIER 1992 National Outlook Conference in Kuala Lumpur, said the key factor is whether Malaysia is in a capacity to latch on to the US recovery next year.

After five consecutive years of high growth, the Malaysian economy is projected to experience a much needed slowdown in 1993.

MIER is also forecasting a 7.5 per cent growth rate for 1994.

"As consumption and investment expenditures, both private and public, are anticipated to dampen growth, external demand may be the key in driving the economy.

"However, the pick-up in the world economy may only filter through in 1994, or at the earliest in the latter half of 1993."

Careful navigation at this juncture is most critical in ensuring the Malaysian economy has the capacity to latch on to the stronger world economy in 1994.

The world economy is projected to show a better performance in 1993 with a growth of 3.1 per cent strengthening to 3.6 per cent in 1994.

A number of factors may affect the forecast, one of which is if a gradual easing of monetary policy is not forthcoming in the presence of fiscal restraints.

The other factor is the effect of an overstimulation of the economy by US President-elect Bill Clinton which may cause a third dip and delay further the expected economic recovery in the US. Rising protectionism among the developed economies may also threaten international trade and investment flows.

Government Orders Arrest of Prince for Assault

BK1112145492 Hong Kong AFP in English 0826 GMT 11 Dec 92

[By Ong Saw Lay]

[Text] KUALA LUMPUR, Dec 11 (AFP)—Malaysia's attorney-general Friday ordered the arrest of a prince in the southern state of Johore for allegedly assaulting an opponent after a hockey match.

The order came as the government planned to strip Malaysia's hereditary rulers of their immunity from prosecution amid an outcry over the alleged assault by the prince's father, Sultan Iskandar Ismail, on a hockey coach in a related incident. Under the constitution, rulers are immune from prosecution but the immunity does not extend to other members of the royal family.

Attorney-General Abu Talib Othman wanted Prince Majid Idris arrested, saying there was sufficient evidence to prosecute him for assaulting goalkeeper Mohamed Jaafar Selvaraja Veloo in the changing room after a match on July 10.

Abu Talib, in an unprecedented move, also ordered police to question 59-year-old Sultan Iskandar, Malaysia's former king, for allegedly beating up a coach, Douglas Gomez, 52, on November 30, BERNAMA news agency reported.

The sultan allegedly attacked Gomez for criticising the ruler's withdrawal of all Johore teams from national hockey matches in retaliation for a five-year ban on Prince Majid by the Malaysian Hockey Federation for the assault on the goalkeeper.

"I hope the palace will cooperate in the investigations so that we can all respect the law of the country in the interest of the nation," BERNAMA quoted Abu Talib as saying.

Johore Chief Minister Muhyiddin Yassin told reporters in Kuala Lumpur late Thursday that Sultan Iskandar was now in Brunei.

The assaults have been hogging local newspaper headlines for the past 10 days. Local newspapers have also been splashing reports of several other cases of alleged misconduct by members of the Johore royalty.

Malaysians have never before publicly condemned royal misconduct for fear of running foul of the Sedition Act, under which it is an offence to question the position and prerogative of the rulers.

Prime Minister Mahathir Mohamad, after an emergency meeting Thursday of his United Malays National Organisation (UMNO) that continued past midnight, said Sultan Iskandar had reportedly been involved in "worse cases, including those that had even led to deaths, in the past."

UMNO decided to call for an end to the rulers' legal immunity through a constitutional amendment.

A government MP, Shahidan Kassim, said in the lower house of parliament Thursday that Sultan Iskandar and his son had been involved in 23 assault cases since March 1972.

He said Sultan Iskandar had once been convicted and jailed six months for culpable homicide in October 1976, when he was the crown prince and heir apparent. But he was later pardoned by his father.

Shahidan told the house that in 1986, Sultan Iskandar's eldest son, Ibrahim, was allegedly involved in a rape case in a hotel in Johore.

Mahathir said a National Front council meeting would be convened Saturday to direct the cabinet to initiate the constitutional amendment. Malaysia's rulers are expected to resist the move, analysts said.

Mahathir acknowledged plans to amend the constitution would have to obtain the consent of the Conference of Rulers, which groups the nine sultans and rajas, and said the move might cause a government-palace split. But, he said, "I am confident this will not erupt into another constitutional crisis."

Minister Asks Prince To Surrender

BK1312112392 Kuala Lumpur Radio Malaysia Network in English 0800 GMT 13 Dec 92

[Text] Johor Chief Minister Tan Sri Haji Muhyiddin Yassin said the son of Johor sultan [state ruler], Tengku Abdul Majid Idris, should surrender to court or police station as a warrant of arrest has been issued agaist him. The chief minister said close members of the royal family should advise Tengku Majid to surrender. It was necessary so that it will not give the impression that Tengku Majid did not respect the law.

A warrant for the arrest of Tengku Majid was issued by a magistrate's court in Johor Baru yesterday. He was believed to have caused injury to a Perak hockey player, Mohamed Jaafar Selvaraja Veloo, last July.

Tan Sri Muhyiddin said the Johor Council of Regency could also play a role in advising Tengku Majid.

Country Not To Become Republic

BK1412091392 Kuala Lumpur Voice of Malaysia in English 0800 GMT 14 Dec 92

[Text] Deputy Prime Minister Ghafar Baba has reiterated that the government will not allow the country to become a republic. It will ensure that Malaysia remains a constitutional monarchy. The Malay rulers will continue to exist. He said this when addressing more than 500 leaders of land settlers in Kota Tinggi, Johor. The deputy prime minister added that the plan to amend Article 181 (2) of the Federal Constitution is not a move to strip the rulers of their powers. The article has nothing to do with powers but only touches on the immunity accorded to the rulers. The government has no intention of bringing any rulers to court but rather to preserve their dignity. The article needs to be amended. If its provisions are abused, the government cannot keep quiet. If any rulers abuses the provisions of the article and the government condemns it, there will be no real democracy in the country. The people's sovereignty should also be protected.

Speaking to newsmen later. Mr. Ghafar said the government is confident that the rulers will consent to the amendment. It is a good proposal which has the support of the people, including the opposition parties. The government will go ahead with the amendment [words indistinct].

Parliament's Right To Discuss Assault

BK1412093092 Kuala Lumpur Voice of Malaysia in English 0800 GMT 14 Dec 92

[Text] Dewan Rakyat [House of Representatives] Speaker Tan Sri Zahir Ismail says Parliament has the right to discuss hockey coach Douglas Gomez's alleged assault by the sultan of Johor although police investigations into the incident have not started. Being the country's highest legislative body, Parliament could discuss all matters, including the sultan of Johor issue if necessary. He told newsmen this after presenting three young elephants to Australian High Commissioner Frank Murray at Parliament House.

Singapore

Clinton's Prospective PRC Policies Viewed

BK1312111092 Singapore THE STRAITS TIMES in English 12 Dec 92 p 34

[Article by Lee Kuan Yew: "United Nations may be paralyzed if Clinton pushes human rights in China"]

[Text] One of the biggest problems Asia faces is President-elect Bill Clinton's human-rights stand on China and the issue of U.S. withdrawal of Most Favoured Nation (MFN) status.

Although Mr. Clinton has talked very strongly about human rights, he has also talked about not isolating China. So there is hope.

We will have to see what transpires between now and next June, when MFN status for China comes up for renewal in the U.S. Congress.

It is important for America to understand that a China which loses MFN status, or loses face because she has to comply with humiliating conditions concerning her internal behaviour, will become a resentful and non-cooperative China. A non-cooperative China may not be able to hit back economically, but it can do so in other ways.

China can, for example, become non-cooperative in the United Nations Security Council, where it holds veto power. If Mr. Clinton has trouble with China over MFN and human rights, then the United Nations will become paralysed.

China can also become non-cooperative in Middle East disarmament talks. It could assist Iran in building a nuclear reactor and provide knowledge on how to make Russian Scud missiles go farther. China can also talk to the Libyans and the Pakistanis, or to many people whose agenda is not peace and stability, but the gaining of power.

Any number of countries want a shortcut to power. China can indirectly, through arms dealers in Hong Kong, sell weapons to such countries.

I hope the American Central Intelligence Agency will have a good assessment of this situation and will put all the facts before Mr. Clinton's National Security Council. Economics, politics and security—they must be considered as a whole when formulating a China policy.

Cambodia

Closure of Human Rights Office Reportedly Forced

BK1312070792 Hong Kong AFP in English 0653 GMT 13 Dec 92

[Text] Phnom Penh, Dec 13 (AFP)—More than 100 Phnom Penh government officials and police stormed the office of a Cambodian human rights group in an eastern province, confiscated property and detained the leaders, the group charged in a letter to the United Nations seen Sunday.

The Cambodian Human Rights Association (CHRA) office in Svay Rieng Province was closed indefinitely as a result, according to the letter from the group's treasurer Ang Eng Thong to the head of the U.N. Transitional Authority in Cambodia (UNTAC) human rights director Dennis McNamara.

The incident coincided with the celebration of International Human Rights Day Thursday.

CHRA is headed by former dissident Thun Saray, who was jailed for attempting to form an opposition political party while Cambodia was still a single-party communist state. Several such groups have sprung up attempting to bring basic human rights to a country that has seen a series of repressive and genocidal regimes over the previous decades.

The police, directed by the province's top party and police officials, burst into the CHRA office in Svay Rieng after the human rights day celebration finished.

"The people there trembled with fear and dispersed," the letter said, adding that the group's provincial president and senior officials stayed behind while they confiscated materials, a loudspeaker and a motorbike.

The group, including the chief monk of the montastery where the office is located, were taken into custody, the letter said.

"After intimidating them, they released them after some time," the letter said.

The letter asked the United Nations to investigate the incident, to discipline those responsible and to retrieve the group's confiscated possessions.

U.N. officials could not immediately be reached for comment.

Troops Kill Woman While Evicting Squatters

BK1412112892 Hong Kong AFP in English 1110 GMT 14 Dec 92

[Text] Phnom Penh, Dec 14 (AFP)—A 50-year-old woman was killed when Phnom Penh government forces opened fire on a crowd of squatters being evicted from land owned by a government official, a U.N. spokesman said Monday.

The squatters, numbering about 40 families and wielding knives, had attacked the soldiers evicting them Saturday from the land outside of the capital, spokesman Eric Falt said.

The land is owned by a ministerial official in the Phnom Penh government, Falt said, declining to give his name.

Som Chea, 50, died of bullet wounds to both thighs after the troops opened fire.

U.N. peacekeepers were aware of the impending eviction and had asked authorities not to use force against them.

However, it appeared the government troops had been brought in from Phnom Penh and were not under local direction, Falt said, adding that U.N. peacekeepers were investigating.

Elsewhere in Cambodia, shelling between Khmer Rouge guerrillas and Phnom Penh troops continued in the central and western provinces of Kompong Thom and Banteay Meanchey, Falt said.

Suspected Khmer Rouge guerrillas attempted to blow up two bridges near Kompong Thom, but only succeeded in partially demolishing them, he said.

In politically related violence, three FUNCINPEC party workers in the western town of Sisophon were injured when a hand grenade exploded inside their office.

In eastern Cambodia's Svay Rieng, another FUNCINPEC member Su Sareth lost an eye in an attack by unknown assailants, Falt said.

In response, the United Nations was considering stationing U.N. civilian police at party offices to act as a deterrent.

"We have to put an end to these types of attacks," Falt said.

Previously the United Nations said it did not have enough manpower among its 20,000 peacekeepers to protect opposition parties.

Statement Says Sihanouk 'Extremely Ill'

HK1212023492 Hong Kong AFP in English 0204 GMT 12 Dec 92

[Text] Beijing, Dec 12 (AFP)—Prince Norodom Sihanouk said here Saturday he was extremely ill and would not be well enough to return to Cambodia until January at the earliest.

"My heart and my lungs are worn-out and can no longer bear without danger the heavy burden of my work and my other state, political and diplomatic duties in Cambodia," wrote the prince in a message to his "beloved compatriots".

"As for my liver, it is in a bad state because it is surrounded by a dangerous amount of fat," wrote Sihanouk, chairman of Cambodia's Supreme National Council, who maintains a permanent residence here.

The 70-year-old prince, who was hospitalised here in October suffering from an inflamed parotid gland, wrote that he was still under medical surveillance here.

"I hope that in January 1993 it will be possible to return to join you in our country, but my distiguished Chinese doctors are not yet able to confirm whether I will be able to return" to Cambodia then, the message said.

Communique Accuses KR of Fomenting Unrest

BK1412115492 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1100 GMT 14 Dec 92

["Communique of the Security Ministry of the State of Cambodia;" date not given—read by announcer]

[Text] Over the past few days, a number of political parties, supported by the Khmer Rouge, attempted to create unrest in Phnom Penh City and a number of provinces by raising this or that pretext, and even instigating the expulsion of Vietnamese and inciting unrest, causing the loss of security and public order, and then blaming the State of Cambodia. Furthermore, these people have falsely used the name of his royal highness [HRH] prince of state, causing a misunderstanding by making it look like an appeal by the samdech. This is a very base act.

Concerning this vicious act, HRH prince head of state has denied and firmly denounced this act through his following note in a fax dated 13 December 1992:

Would like to inform His Excellency Chairman Hun Sen that I denounce the so-called appeal by Sihanouk.

Everyone knows that the Khmer Serei [right wing Cambodians] are constantly doing everything to topple me. Based on the above situation, I appeal to compatriots to be vigilant and not be taken in by deceitful manuevers of unrest instigators who attempt to create opportunities for the Khmer Rouge to poke their fingers in to destroy the peace process, national reconciliation, and your peace.

KR Directive on Disrupting Elections Seized

OW1412114392 Tokyo KYODO in English 1058 GMT 14 Dec 92

[Text] Phnom Penh, Dec. 14 KYODO—The Khmer Rouge [KR] leadership decided in May on a three-way strategy which could disrupt proposed elections in May 1993, according to a directive confiscated by government forces, sources told KYODO News Service on Monday.

The sources said the directive ordered Khmer Rouge forces to regard the United Nations Transitional Authority in Cambodia (UNTAC) as a form of intervention in domestic politics and to retake political power by taking their struggle to the capital Phnom Penh and the central Cambodian province of Kompong Thom.

Government forces seized the document in a raid on a Khmer Rouge base in the southeastern province of Kompong Cham in November.

In a resolution sanctioning the Khmer Rouge in November, the UN Security Council gave the faction until January 31 to indicate whether it will take part in elections proposed for May.

The document found in Kompong Cham suggests the Khmer Rouge does not intend to participate in the election and that the faction may be planning to disrupt the elections by force.

In the directive, which was addressed to battlefield and division commanders, high officials of the Khmer Rouge directed that the key region of Kompong Cham, northeast of the capital, be the main battle front.

Since December, government soldiers have battled Khmer Rouge forces from the northern province of Preah Vihear under hard-line military commander Ta Mok. Khmer Rouge forces began pushing south in November to secure main highways to the Thai border.

The directive orders that the second battle front be taken to rural villages around the country by attacking 30-40 villages each month, and taking the lives of 10-20 Vietnamese or government officials.

The directive said Phnom Penh is the third battle front where the Khmer Rouge will carry on the fight at the negotiating table.

It says they will also use political means to achieve the withdrawal of Vietnamese military forces and the dissolution of the Phnom Penh government.

The directive also orders Khmer Rouge forces to destroy the coalition of forces which it said includes UNTAC, the central government, and Vietnamese influence.

Sihanouk Threatens To Quit Over 'Terrorism'

BK1412041692 Hong Kong AFP in English 0354 GMT 14 Dec 92

[Text] Bangkok, Dec 14 (AFP)—Prince Norodom Sihanouk has threatened to stop working with Cambodia's United Nations peacekeepers if no action is taken to end "political terrorism" in his country.

The prince, in a statement circulated Monday by his office in the Thai capital, blamed the U.N. Transitional Authority in Cambodia (UNTAC) and the Phnom Penh government for being "unable or unwilling to really establish peace and democracy in my country."

The prince accused UNTAC and Phnom Penh of failing to "take strong action" against the "oppression" of opposition parties as well as against "social injustices and political terrorism."

If such a situation were to continue, he adds, "I shall cease to work with UNTAC and the (Phnom Penh) government of the State of Cambodia," added the prince, a key player in Cambodia's peace process.

Laos

Assembly Election Preparations Enter Final Stage

BK1312135792 Vientiane Vitthayou Hengsat Radio Network in Lao 1400 GMT 12 Dec 92

[Text] Chaleun Yiapaoheu, standing member of the National Election Committee, gave a press conference on the progress of preparations for the forthcoming third National Assembly at the Supreme People's Assembly Main Hall on 11 December.

He said that the launching of political campaigns in preparation for the election of members to the Third National Assembly has entered its fourth stage, with the main objectives focusing on improvement of the citizens' quality in casting the ballots. At the same time, emphasis has also been placed on solving problems of multiethnic Lao people in implementing party and government policy.

Chaleun Yiapaoheu gave the assessment that political campaigns launched so far during the preparatory election period have enabled the multiethnic Lao people to have a better understanding of the country's ownership and to increase public awareness of people's ownership. The multiethnic Lao people have rendered noticeably strong support for implementation of the policy of improvement and innovation and have expressed their readiness to exercise their rights to cast ballots in the coming election. Most people have clearly understood the role of leadership of the party and known very well about the enemies' plot to cause divisions among the people.

On democracy, the multiethnic people have shown courage in expressing their opinions about cadres, party members, soldiers, policemen, and various strata of people, who have carried out their duties against the rights of ownership of the people and against the country's laws and rules and regulations. Through such practices, people have been able to gradually create unity at various levels and make basic organizational improvements, while all cadres carry out their specific duties more carefully.

The standing member of the National Election Committee once more stressed preparation for the forthcoming 20 December election. He urged everyone to actively enhance the democracy of Lao citizens by encouraging them to exercise their rights to cast ballots—a way that citizens can contribute to improving state organization. He urged everyone to try continuously to explain in every way possible to the people how to exercise their voting rights properly, how to mark election tickets correctly, and to avoid nullifying the ballots. Above all, he concluded that we all must attentively encourage all eligible voters to exercise their rights; to mark the election tickets 100 percent correctly; and to maintain peace and security 100 percent.

Instruction on Procedures Given

BK1412113192 Vientiane Vitthayou Hengsat Radio Network in Lao 0500 GMT 13 Dec 92

["Instruction" issued by the National-level Election Committee to the election committees of all provinces and city municipalities; date not given]

[Text] 20 December 1992 marks an important event in the political life of our nation because all Lao citizens who are eligible voters will exercise their democratic rights and freedom by casting their votes to elect their own representatives as members of the National Assembly.

To carry out the election of members of the 3d National Assembly in accordance with the objectives and expectations and to ensure the strict implementation of the various principles, regulations, and definitions stipulated in the Law on the Election of Members of the National Assembly, the National-level Election Committee would like to give some important recommendations as follows:

I. The objectives and expectations of the voting:

1) Voting to elect members of the National Assembly is an exercise of democratic rights and freedom by our citizens. Therefore, it is necessary that we mobilize and encourage all eligible voters to exercise 100 percent their rights on the election day. If this goal is accomplished, it will become our great victory in the political field.

2) We must ensure that the voting is strictly conducted in accordance with the principles, regulations, and laws. Utmost efforts must be made to see to it that the cast ballots are 100 percent correct and are not invalid.

3) We must ensure that peace, public order, and security completely prevail by 100 percent during the ballot casting.

II. The organizing of the ballot casting on 20 December 1992:

1) We must inspect the arrangement of the polling units and the division of duties and responsibilities of the committees in charge of the polling units. We must inspect ballot boxes and equipment for ballot casting and distribute ballots and necessary documents to all polling units in a complete and timely manner.

2) The roster of eligible voters in each village and each polling unit must be reviewed. Eligible voters must be organized into groups and units under the direct supervision of the village chief in coordination with the Lao front for national construction organization, the youth union, and the women's union in each village. Efforts must be made in every way to see to it that all eligible voters exercise their rights on election day.

3) With regard to military and police units, including the regular and regional forces, arrangements may be made to allow them to cast their ballots before 20 December 1992 so as to ensure that they will be able to carry out their public security maintenance duties to allow the people to securely exercise their rights on the election day. As for those sick persons recuperating in hospitals or at home, old people, disabled persons, or remote villages with only a few eligible voters, the polling unit closest to them is authorized to send responsible officials with a mobile ballot box to receive ballots from them.

4) The arrangement of seats for the committee supervising the polling must be appropriately made with easy access to entrances and exits. Several polling booths should be arranged for voters with partitions so as to ensure secret balloting.

III. Slogans to be displayed at the ceremonies at the polling units and at other stages:

A. Slogans to be displayed at the ceremonies at the polling units:

(1) Long Live the Lao People's Democratic Republic [LPDR]!

(2) Peace, Independence, Democracy, Unification, and Prosperity!

(3) Wholeheartedly Hail the Election of Members of the 3d National Assemebly!

(4) Enhancing the Democratic Rights by Casting Ballots for the Persons You Want To Be Members of the National Assembly Is the Fulfillment of Your Civil Rights!

(5) Long Live the Party and State Leaders!

B. How to display slogans at the polling units:

(1) The first and second slogans are to be consecutively displayed on the stage.

(2) A national flag is to be displayed at the next lower level.

(3) The third slogan is to be displayed on the left of the stage.

(4) The fourth slogan is to be displayed on the right of the stage.

(5) The fifth slogan is to be displayed beneath the national flag.

IV. Programs for opening and closing the ballot casting ceremonies:

A. Opening ceremony program: The head of the committee in charge of the polling unit speaks about the objectives for approximately three minutes. The chief of the village where the polling unit is located is invited to speak for five minuites officially opening the ceremony. The head of the committee in charge of the polling unit explains the procedure on ballot casting and reads out the list of names of persons who are in charge of supervising the ballot casting for five minutes. After that, the beginning of the ballot casting is to be announced.

B. Closing ceremony program: The head of the committee in charge of the polling unit announces the number of votes received by each canditate for three minutes. Then the chief of the village is invited to deliver a speech for five minutes to close the balloting casting ceremony.

V. How to mark the ballot:

1) The committee in charge of the polling unit assigns a person to be a spokesman to explain to the voter the procedure in acquiring, marking, and dropping ballots into the ballot box. For example, if the voter knows that he has to elect three out of six candidates standing in the election, he must elect only three persons to be his representatives at the National Assembly by crossing out the numbers of other candidates he does not want to elect. If he marks more or less numbers or no number at all, the ballot will become invalid.

2) The numbers of those candidates the voter does not want to elect must be crossed out. The numbers of the candidates the voter wants to elect as members of the national Assembly will be left intact.

3) As for other regulations, they must be implemented in accordance with Article 25 of the Law on the Election of Members of the National Assembly.

Upon receiving this instruction, the election committees at all levels must comply with it and thoroughly disseminate it among all officials guiding the election as well as all committees in charge of the polling units for acknowledgement. Any unclear questions or difficulties should be promptly referred to the National-level Election Committee for further explanation.

Philippines

Amnesty Backed for U.S. Colonel's Killers

HK1412041092 Quezon City MALAYA in English 13 Dec 92 p 1

[Report by Chit Estella and Carlito Pablo]

[Text] The National Unification Commission [NUC] will recommend to President Ramos the inclusion of the killers of U.S. Army Col. [Colonel] James Rowe in the government's forthcoming amnesty program, an NUC official said yesterday.

The U.S. Embassy earlier demanded that Rowe's killers be excluded from amnesty in line with a commitment of the Philippine government to protect the safety of foreign diplomats. The U.S. Embassy claims Rowe falls under the status of a diplomat. Rowe, a counterinsurgency expert and Vietnam war veteran working with the Joint U.S. Military Assistance Group (JUSMAG), was gunned down by New People's Army rebels in April 1989 while on his way to the JUSMAG headquarters in Quezon City.

The NUC official who asked not to be identified said the decision to include Rowe's killers in the amnesty program was based on the fact that the American's assassination was in pursuit of the assailants' political belief. Rowe was reportedly active in advising the armed forces on its counterinsurgency program, particularly in the formation of civilian militias and other armed anticommunist groups.

The U.S. Embassy has stepped up its lobby to exclude Rowe's killers from the amnesty package. Sources at the Department of Justice said embassy charge d'affaires Thomas Hubbard has called on Secretary Franklin Drilon to press the U.S. request. Hubbard reportedly told Drilon that granting amnesty to Rowe's killers "is a serious concern for the U.S. government."

Ambassador Richard Solomon earlier sent a note verbale to the government pointing out that Rowe enjoyed diplomatic status.

Foreign Affairs Secretary Roberto Romulo has refused to comment on the issue but NUC Chairperson Haydee Yorac said the issue raised by Solomon "is not a valid one." The embassy officials have approarched various Filipino officials, including Senate President Neptali Gonzales, to bring across their government's sentiment regarding the issue. Their overtures were criticized by local officials who interpreted this as undue interference in domestic affairs.

The NUC source, while accepting that it is the government's responsibility to ensure the safety of foreigners, said other considerations had to be taken into account in making the decision regarding the Rowe killers.

"We have a problem here to settle and we just have to set aside our personal feelings," the NUC official said. Another NUC official said: "We would lose face if we succumb to U.S. pressure since granting amnesty to political offenders is an internal issue." He noted that President Ramos has directed the NUC to include in the amnesty package rebels charged or convicted with common crimes. "The government would be severely criticized if it allowed exemptions," he said.

The sources said others in government have in one way or another been victimized by leftist or rightist rebel actions but are willing to give way to the government's peace efforts. They were referring to Defense Secretary Renato de Villa whose house was destroyed when military rebels bombed it during a coup attempt. Another one was Justice Secretary Franklin Drilon whose house in Greenhills was attacked by yet unknown persons.

Commenting on the protocol being invoked by the U.S., the NUC official said, "Whatever it (protocol) is, kasama 'yung killers ni Rowe sa amnesty [the killers of Rowe are included in the amnesty]."

The NUC also warned legislators against passing an amnesty law, saying amnesty is an exclusive prerogative of the executive branch. The most that Congress can do, the NUC source said, "is pass a resolution expressing its sentiment on the matter." The NUC sources said a plan by some congressmen to file an amnesty bill was the reason why Yorac openly criticized politicians for interfering with the peace process. Such a bill, if approved by Congress, would be unconstitutional, the NUC official said.

Possibly because of the NUC's objections, the congressmen resorted to filing a mere resolution, Resolution No. 322, urging President Ramos to grant total and unconditional amnesty. The planned bill was never filed.

Government Envoys Consult NDF on Peace Talks Venue

HK1412045892 Manila PHILIPPINE DAILY INQUIRER in English 13 Dec 92 pp 1, 11

[Report by Juliet M. Labog]

[Text] Two bishop-members of the National Unification Commission [NUC] recently held meetings with leaders of the National Democratic Front [NDF] in the Netherlands and Canada to work out a compromise on the issue of where to hold the formal negotiations aimed at ending the 23-year communist insurgency.

The NUC, which supervises peace talks with rebel groups, also asked public officials to coordinate directly with the commission in case rebels contacted them for consultation or dialogue.

In issuing guidelines to public officials, the NUC said it wanted to avoid "uncoordinated initiatives and pronouncements (which) may create confusion, preempt the NUC process, or even unwittingly undermine the NUC efforts."

NUC Chairman Haydee Yorac said Catholic Bishop Fernando Capalla went to Utrecht, the Netherlands, where several topranking NDF leaders hold office.

Dr Feliciano Carino of the National Council of Churches of the Philippines went to Canada, where the NDF is actively campaigning for international support, she added. Yorac did not reveal the results of the meetings, which she described as "informal and non-binding."

Sources in the NUC, however, said Capalla went to Utrecht and met with Luis Jalandoni, NDF vice chairman for international affairs, who also headed the rebels' panel during the exploratory talks there.

Capalla asked Jalandoni to hold the talks "in any of our churches," the sources said. The NDF response could not yet be ascertained. The NDF has insisted that the formal talks should be held in a foreign country mediated by a third party. The government maintains that the talks should be held here, noting that the communist insurgency is an internal problem.

An NUC member admitted to the INQUIRER that the unresolved issue could indefinitely delay, if not doom, the peace process.

"Mahihirapan tayo dito, [We will encounter difficulty here]" he said, referring to the chances of the government being able to convince the NDF leaders to hold the talks in the country.

Jalandoni has also asked for a second round of exploratory talks in Belgium, Switzerland or Hong Kong to clarify the agenda for the formal talks which the NUC had revised. He also sought a discussion with his counterpart in the exploratory talks, Rep [Representative] Jose Yap, the terms for a bilateral holiday ceasefire and the "mutual release" of prisoners before Christmas.

But, according to Yorac, any new exploratory talks must be held here and without discussing the ceasefire and the prisoners' release.

Another NUC member, however, said the government can be "flexible" and may agree to hold the new round of talks in Hong Kong.

It has been over three months since the government and the NDF agreed to negotiate the resolution of the communist insurgency during exploratory talks held in the Hague on Aug. 31 and Sept. 1. A perceived rift in the leadership of the communist hierarchy was seen by some quarters as another possible hindrance to the peace talks.

Communist Party founder Jose Ma [Maria] Sison has attacked three former communist leaders here as renegades out to destroy the CPP.

But Yorac said the rift would not affect the peace process because the NUC recognizes Jalandoni as the duly-authorized NDF representative.

The NUC, meanwhile, issued several guidelines for public officials conducting peace initiatives with the rebels:

—The NUC shall promulgate policies and initiate actions "to ensure that initiatives by other officials are in consonance with the directions set by the NUC and integrated into the overall peace process, and shall not be misconstrued as attempts to drive a wedge between the leadership and the rank and file of rebel organizations."

—Establishing contacts with rebel groups must not be viewed as synonymous with conducting negotiations. "All contacts with rebel groups should take the form of conversations, dialogues or conversations and no representation or expectation of benefits shall be raised other than those already set under the law."

On the holding of dialogues between public officials and rebel groups, the NUC "shall issue safe conduct passes when needed by rebel contacts."

Yorac earlier chided some politicians who allegedly threatened to derail the government's peace initiatives by setting up separate peace talks with rebels.

Government Determined To Kill Debt Cap Bill

HK1412041992 Manila MANILA BULLETIN in English 12 Dec 92 p B-1

[Text] The Ramos administration is flexing its political muscle to kill controversial legislation to limit the country's foreign debt payments.

The issue, which comes up for debate in the House next Tuesday, will provide a major test of Ramos' clout in Congress and his six-month-old administration's ability to push through its polcies.

At issue is a proposal to limit foreign debt payments to 10 percent of exports of goods and services. The administation says the proposal would destroy the country's credit rating and cut off the flow of new loans to revive the stagnant economy. But proponents claim the country, which has a foreign debt of about dlrs 29 billion, needs to divert resources from debt service to infrastructure and social projects.

Last week, it appeared the measure would sail through the House of Representatives after 128 of the nearly 200 members endorsed the plan. The Senate appeared less enthusiastic but a similar measure had strength there too.

House Speaker Jose de Venecia, a Ramos lieutenant, postponed debate for a week to allow the administration to lobby against it. De Venecia has been meeting with House members to urge them to drop their support of the proposal.

"The speaker spoke of things I had never heard before," said Rep [Representative] Anthony Dequina, who had supported the debt cap. "Had I known of those things, I would not have signed the bill."

On Wednesday, presidential Executive Secretary Edelmiro Amnate announced release of 200 million pesos [Philippine pesos] (dlrs 8.3 million) from the Countrywide Development Fund, a pork barrel which funnels cash to congressional districts. Earlier, the administration claimed it lacked the funds.

Foreign Investments Increase Reserves

HK1412041792 Manila MANILA BULLETIN in English 13 Dec 92 p B-1

[Text] The country's capability to pay its three months imports of goods and services as measured by the level of its gross international reserves [GIR] inched up to $5.10 billion as of end November. It was placed at $5.081 billion the previous month.

Central Bank [CB] statistics released over the weekend showed that the increase of some $19.56 million in GIR for the period in review could be attributed to the acceleration of both the foreign investments and the foreign exchange holdings of CB. Foreign investments, which accounted for 80.91 percent of the GIR, posted an increment of $52.31 million to $4.127 billion as of end November from $4.075 billion in October.

On the other hand, foreign exchange holdings of CB climbed $9.41 million to $42.68 million in November from $33.27 million the months before, representing an increase of 28.28 percent.

While these two components of the GIR registered increases, the two remaining factors, namely loan availments of the country as expressed in Special Drawing Rights (SDRs) and gold holdings of Central Bank decelerated.

The gold holdings of CB declined by a high of $24.5 million to only $929.48 million in November from the previous month's level of $953.98 million. The decline could be blamed on the decision of CB to stop buying gold produce from both small panners and mining companies because of the still unresolved controversy on value added tax.

Election Body Declares Lanao del Sur Congresssional Seat

HK1312081992 Quezon City ABC-DWET Television in English 1300 GMT 11 Dec 92

[From "ABC-DWET News Program"]

[Text] The Commission on Elections tonight proclaimed Sultan Ali Dimaporo as congressman-elect for Lanao del Sur second district, and Doctor Majid Muntilan as provincial governor.

After a five-month wait due to pre-proclamation papers filed by opposing candidates, officials of the provincial board of canvassers voted to proceed with this evening's proclamation. Dimaporo won over his closest opponent Pala Dipatuan.

NPA Leader Denies Betraying Revolutionary Movement

HK1212012092 Quezon City ABC-DWET Television in Tagalog 1000 GMT 11 Dec 92

[From the "ABC-DWET News Program"]

[Text] Three high-ranking officials of the Communist Party of the Philippines [CPP] today denied impeding the progress of the peace talks. They also rejected an insinuation that they have betrayed the revolutionary movement. Yesterday, Jose Maria Sison, acting CPP-National Democratic Front consultant on the peace talks, denounced Rolly Kintanar, Benjamin Rivera, and Rick Reyes, saying they are ruining the talks between the government and the rebels. Kintanar, a former New People's Army leader, said Sison, like them, is only an observer in the present state of the revolutionary movement. The report from Arlene de la Cruz:

[Begin recording] [De la Cruz] The reaction by Rolly Kintanar, Benjamin Rivera, and Ricardo Reyes to Joma [Jose Maria] Sison's condemnation only proves the split within the CPP-NPA ranks.

Sison claimed the three violated important policies of the revolutionary movement. His criticism on past decisions by Kintanar, Rivera, and Reyes was discussed, in detail, in the "Reaffirm and Rectify" document written by a certain Armando Liwanag.

[Kintanar] I am saddened to know that Joma Sison, the leader I have always supported, has accused us of being traitors to the nation and to the revolutionary movement.

[De la Cruz] Despite his statement, Kintanar denied there is a split within the revolutionary leadership.

[Kintanar] There are different views, which is just a healthy sign of an active movement. But there has and will always be a time when a closer and tighter unity is achieved and upheld by the revolutionary organization.

[De la Cruz] According to Kintanar, Sison is in no official position to speak on the movement's policies.

[Kintanar] Joma, like me, has said he is only an observer in the party and the whole revolutionary movement. I am also an observer, because I have not been reintegrated into the party.

[De la Cruz] Kintanar appealed to his revolutionary comrades, particularly Sison, to be calm and refrain from issuing sensitive statements relating to the movement.

[Kintanar] I am calling on him to be calm, because what he is doing is not in the interest of the Filipino people or for our common goal to achieve unity. [end recording]

Peace Efforts Not To Be Affected

HK1412022392 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 13 Dec 92

[Text] President Fidel V. Ramos has expressed confidence that the Communist Party's split will not affect the government's peace efforts. The president stressed in a meeting that the rift between leaders of the Communist Party of the Philippines-New People's Army [CPP- NPA] is an internal matter, and added he does not see any reason for this to be an obstacle to the peace initiative.

The issue within the CPP-NPA started when party chief Jose Maria Sison said the Romulo Kintanar faction is being used by the military to disrupt the CPP.

Thailand

Minister: Review of U.S. Treaty Not Necessary

BK1212053392 Bangkok BANGKOK POST in English 12 Dec 92 p 20

[Text] Thailand will not review the 1966 Thai-United States Amity Treaty because it is not currently necessary to do so, according to Deputy Foreign Affairs Minister Surin Pitsuwan.

Dr Surin said his ministry had no plans to either amend or cancel the agreement.

His comment contradicted statements made by officials from the foreign affairs and commerce ministries after a meeting last month, who recommended the amendment of a clause which granted rights to Americans which were withheld from citizens and companies from other countries

The rights included granting Americans the same treatment as Thais when engaging in some professions and allowing them to operate wholly-owned companies in some service industries.

Minister Denies Ignoring UN Sanctions

BK1212141792 Bangkok Radio Thailand Network in Thai 1200 GMT 12 Dec 92

[Text] Deputy Foreign Minister Surin Phitsuwan spoke with reporters about the UN allegation that Thailand violated UN Security Council resolution on sanctions against the Khmer Rouge. He said Thailand has not ignored its commitments to the international community as alleged. However, Thailand has the right to seek clarification on its compliance in accordance with the UN charter, which specifies that in taking any measure against a country it is necessity to consult the relevant neighboring country. In this case, Thailand must be consulted in order to avoid direct consequences from the Cambodian problem upon its economic system. Surin said next week UN military representatives will come to Thailand to discuss a solution to this issue.

In any event, at this stage the Thai Government has been considering ways to strengthen Thailand's role in enhancing peace in Indochina, not just Cambodia, but also Laos, Burma, Vietnam, and China. In this way, it will be an opportunity for Thailand to show its sincerity for genuine peace in this region. To do this, Thailand will raise the issue of development of the Mekong basin at the meeting in Kuala Lumpur on 16 December. Thailand will play the leading role at this meeting, and the United Nations has also expressed interest in the meeting.

Prasong Discusses Logging, UN Sanctions

BK1212041592 Bangkok BANGKOK POST in English 12 Dec 92 p 1

[Text] For the sake of the environment, the Government must review its policy on logging in neighbouring countries, Foreign Minister Prasong Sunsiri said yesterday.

Thailand must cooperate with Burma, Laos and Cambodia in the management of natural resources, Sqn Ldr [Squadron Leader] Prasong said.

"We do not want Thai concerns to destroy natural resources (of neighbouring countries) without regard to the consequences, which would make us look like robbers. We want to cooperate on the basis of mutual interest and mutual responsibility," he said.

Firms engaged in logging have been criticised for destroying the natural resources of neighbouring countries "because Thailand has no more forests for them to destroy," he said.

Thailand must try to be a leader of the Indochina region. Neighbouring countries will cooperate where the environment is concerned, he said.

At one time his work placed him on opposite sides to the Indochinese states, but the situation has changed, he said. Sqn Ldr Prasong is a former secretary-general of the National Security Council.

"People say a person who has carried out one duty is not able to do any other," he said.

"Given such an attitude, nobody could go for a change of position at all. At the national level, one must stick to policy. Let's wait and see."

Sqn Ldr Prasong said Thailand's policy towards Burma will not change. It is to continue the relationship "on the basis of creative cooperation, mutual understanding and opportunities."

Thailand will not support any sanctions or interference in Burma's internal affairs.

"Thailand is Burma's neighbour and cannot adopt the policy of the West on this," he said.

On Cambodia, Sqn Ldr Prasong reaffirmed that Thailand will comply strictly with UN sanctions against the Khmer Rouge.

He said the Government has a duty to protect the interest of Thais, but if there is a conflict it will place the national interest before that of certain groups of businessmen.

The national interest is more important as it involves the national image and the long-term interests of the majority of the people, he said.

"Thailand is not an obstacle to the UN resolution. On the contrary, we were among the first to support peace in Cambodia and we are still doing this, although many nations try to forget the part played by Thailand."

He said he will discuss with Lt-Gen John Sanderson, the military head of the UN Transitional Authority in Cambodia, the enforcement of UN sanctions.

"As long as no clear-cut enforcement plans are laid down, Thailand is entitled to alleviate the hardships of Thai businessmen doing business in the Khmer Rouge-controlled area," he said.

He said Thailand awaits a reply from Cambodia's Supreme National Council to its request to allow Thai merchants to take timber already felled out of Cambodia.

He said the world community has brought into question Thai sincerity in its stance on the Khmer Rouge although Thailand has never supported the guerrillas or defied the UN resolution.

"Many countries believe that without the revenue that comes from trading with Thai merchants, the Khmer Rouge would stop being stubborn. But we do not trade only with the Khmer Rouge. We trade with all Khmer factions. There is no rule forbidding us from doing so," he said.

On Bill Clinton's choice of Secretary of State, Sqn Ldr Prasong said it will make no difference if the chairman of the Joint Chiefs of Staff, Gen Colin Powell, is appointed. Mr Clinton and his Cabinet take office on January 20.

The American Democrats are likely to concentrate on domestic issues such as debt and economic recovery and will tend to fight trading rivals such as those in the European Community rather than a relatively small country like Thailand, he said.

Sources: Government Moves To Help UN Expected

BK1312015892 Bangkok THE SUNDAY POST in English 13 Dec 92 p 1

[Text] Government moves to help the United Nations get the Khmer Rouge to rejoin the peace process in Cambodia are expected tomorrow, according to highly-reliable government sources.

A full board meeting of the National Security Council, to be chaired by Prime Minister Chuan Likphai, is expected to form action plans to help the UN enforce sanctions against the Khmer Rouge.

The Premier has also invited the Khmer Rouge to a meeting in Bangkok in an effort to persuade the guerrillas to return to the UN-brokered peace process.

The flurry of activity follows growing criticism from some quarters in the international community and from opposition parties that the Government is reluctant to apply pressure on the Khmer Rouge to cooperate with the peace plan.

"Thailand cannot afford to remain passive or its image will suffer as others may see us as an obstacle to the peace plan.

"Therefore, we will deal with the problem where the root cause lies," one of the sources said.

He quoted Mr Chuan as reaffirming that the Khmer Rouge must comply with UN resolutions and that the guerrillas cannot remain idle and be allowed to give the world the impression that they receive support from Bangkok through business connections with some Thai merchants.

Mr Chuan told the Foreign Ministry to invite Khmer Rouge leaders to a meeting in Bangkok to discuss Thailand's "concern" over the guerrillas' position on the peace plan, the sources said.

The Khmer Rouge cannot keep on citing the alleged presence of Vietnamese troops in Cambodia as an excuse for not joining the peace process. It should know that the excuse is groundless.

The Thai Government was democratically elected and it will try to help restore democracy in Cambodia, the sources said, adding:

"The Prime Minister supports the UN resolution and this position will not be changed."

Mr Chuan will chair the NSC meeting just hours before an evening meeting between Foreign Minister Prasong Sunsiri and the UN Transitional Authority's military chief, Lt-Gen John Sanderson, at the Foreign Ministry.

Sqn Ldr Prasong said he will discuss with Lt-Gen Sanderson the framework under which Thailand and the UN will enforce the sanctions.

The minister said Thailand will insist on its rights under Article 50 of the UN Charter, which requires the organisation to consult a third country which may be affected by the enforcement of UN resolutions.

Thailand will insist that UN checkpoints to enforce sanctions be located in Cambodia, he said. But Thailand will cooperate with the UN by deploying extra Thai officials on the Thai side of the checkpoints to help enforce the embargo.

Thailand cannot afford to allow the UN to set up checkpoints in Thailand as this would be tantamount to dragging Thailand into the Cambodian conflict, he said.

The Commerce Ministry has already been told to study its regulations in preparation for complying with the oil embargo the UN announced will be imposed on the Khmer Rouge.

Thailand has also sent a message to Prince Norodom Sihanouk in Pyongyang and has sent Deputy Permanent Secretary for Foreign Affairs Sarot Chawanawirat to lobby Phnom Penh to give Thai traders time to take out timber already felled in Cambodia.

Sqn Ldr Prasong said Thailand will encourage the Khmer Rouge to join the peace process by pointing out that if the faction refuses to take part in the pending election in Cambodia, Thailand will no longer be able to recognise the guerrilla group.

Importance of Tariff Cutting Under AFTA Stressed

BK1112025992 Bangkok THE NATION in English 11 Dec 92 p A3

[Text] Thailand will ask its Asean counterparts to minimize the number of products they want excluded from the list of manufactured goods earmarked for accelerated tariff cuts under the regional free trade area programme.

On the eve of the third meeting of the AFTA (Asean Free Trade Area) Council, Deputy Prime Minister Dr Supachai Phanitchaphak said he would urge his Asean counterparts not to delay cutting tariffs on a wide range of manufactured goods scheduled under the AFTA programme.

"If they delay the tariff-reduction plan, businesses and industries within Asean (Association of South East Asian Nations) will not be able to strengthen their competitive edge against imports from other parts of the world," he said.

During the pre-ministerial session, senior officials from other Asean countries have been surprised by Thailand's aggressive stance in proposing the least number of items for temporary protection from the fast-track tariff cuts.

Thailand has proposed taking out only 118 items from the fast-track schedule, an amount equal to the Singaporean proposal.

"They had expected that Thailand would propose the largest number of items in the exclusion list. But Thailand's proposal turns out to be the smallest" said a senior Thai official.

Today Asean economic ministers will meet to decide the final lists of products earmarked for tariff cuts under the fast-track and normal schedule in preparation for the creation of the regional free trade area by January 1, 1993.

The Asean leaders agreed at the Singapore Summit early this year to launch the regional free trade area by 1993 by bringing down tariffs on Asean manufactured imports to zero per cent to five per cent over a period of 15 years. They share the belief that lower tariffs for Asean goods will intensify trade flow in the region and attract foreign investment in the free trade area with a population of 330 million.

The Asean leaders have selected 15 sectors for accelerated tariff cuts, in what they call the fast-track programme, under which each Asean member would lower tariffs on products within these sectors to zero per cent to five per cent within seven to 10 years.

But the AFTA agreement has also left the option open for each Asean member to temporarily exclude individual items from tariff cuts under the fast-track programme to allow more time for the local industries to make necessary adjustments during the transitional period.

Thailand's exclusion list of 118 items includes palm oil, petrochemicals and some electrical appliances. Malaysia has proposed to delay cutting tariffs on 648 items, a similar level to that of Brunei. Indonesia and the Philippines' exclusion list cover more than 1,000 items.

"Thailand is more ready than any other Asean member. We are not only proposing the least number of products on the exclusion list, but we are also citing a clear-cut time-frame and table for the tariff cuts," Supachai said.

Supachai also reproved other Asean countries which had earlier sharply criticized Thailand for allegedly lacking the commitment to launch the regional free trade area, although Thailand at that time was occupied in the process of forming a new administration under Prime Minister Chuan Likphai.

"Some Asean countries, which previously accused Thailand of trying to delay AFTA, now appear to be the ones lacking a real commitment. Their domestic industries, as it turns out, are less ready for AFTA than Thailand's," he said.

Regarding complaints that the government had not adequately consulted the private sector before committing itself to AFTA, Deputy Finance Minister Trairong Suwannakhiri said: "I think we have a good understanding with private industries. Khun Tharin (Nimmanhemin, Finance Minister) has also briefed the House subcommittee on the AFTA programme."

PRC's Friendship Delegation Arrives

BK1212083892 Bangkok XIN ZHONG YUAN RIBAO in Chinese 11 Dec 92 p 11

[Text] Han Xu, president of the Chinese People's Association for Friendship with Foreign Countries, and his delegation arrived in Bangkok on 9 December for a friendly visit at the invitation of the Thai-Chinese Friendship Association. In the evening, General Chatchai Chunhawan, chairman of the Thai-Chinese Friendship Association, hosted a banquet in honor of Han Xu's delegation at his Ratchakhru residence.

Bank Opens First Branch in PRC; More Planned

BK1212054192 Bangkok BANGKOK POST in English 12 Dec 92 p 20

[Text] The wholly Thai-owned TM International Bank, which is a joint venture between the M. Thai Group and Thai Military Bank, will be officially opened in China today.

It will be the first foreign bank with full and comprehensive commercial banking services to operate in China. Its head office is located in the Shantou Special Economic Zone.

The bank was incorporated in China with US$20 million in registered capital, of which 60 percent was held by the M. Thai Group and the balance by the Thai Military Bank.

The bank's management team comprises Suchai Wirametikun as board chairman, Wirasak Aparak as vice chairman and Phot Khuhapinan as president.

Next year, it will open five more branches in China's major cities and its banking activities will also soon be expanded into Hong Kong and ASEAN countries including Thailand.

Mr Suchai said China's economic reform and open-door policy, as well as the increasingly close economic cooperation between China and Thailand, meant there was a need to invest in the establishment of a commercial bank in China.

"It is especially significant to me to establish a head office in my native Shantou City, which will surely have a useful role in promoting Sino-Thai international trade and economic relations," he said.

"TM International Bank is the first bank with entirely foreign capital to have been approved by Chinese authorities in the past four decades. I have full confidence that this bank will be able to handle all types of banking business.

"The main purpose of the bank is to further financial, economic, and trade relations and the development of both China and Thailand, rendering, at the same time, consultative services to foreigners and foreign companies wishing to invest in China."

Supreme Commander's Visit to Singapore Summarized

BK1212085192 Bangkok Army Television Channel 5 in Thai 1230 GMT 11 Dec 92

[Text] After concluding his two-day official visit to the Philippines, Supreme Commander Air Chief Marshal Woranat Aphichari and his party arrived at the Paya Lebar military airbase at 1900 on 8 December for an official visit to Singapore. The supreme commander was received by Brigadier General George Yeo, the Singapore military intelligence chief, senior Singapore military officers, and foreign military attaches.

At 1000 Singapore time, Air Chief Marshal Woranat and his party paid a courtesy call on Major General Ng Jui Ping, the Singapore Chief of the Defense Force. The Singapore defense force chief escorted his Thai counterpart to the platform to receive the honor guards. The Thai supreme commander was then given a briefing and discussed with the Singapore defense force chief official business between the Thai and Singapore Armed Forces.

The Thai supreme commander and party then called on Yeo Ning Hong, the Singapore second defense minister and acting defense minister [titles as heard]. The following Thai military officers were also present: General Charun Phunsanong, the Armed Forces deputy chief of staff; Gen. Suphit Wora-uthai, the chief of Supreme Command staff officers; Lieutenant General Mongkhon Amphonphisit, the chief of the Armed Forces operations department; and Lt. Gen. Prachuap Saengthawip, the chief of the Military Intelligence Department.

The final mission of the supreme commander in Singapore yesterday afternoon was his courtesy call on Singapore Prime Minister Goh Chok Tong at the palace. He was accompanied by Maj. Gen Ng Jui Ping, the Singapore defense force chief, and Sunthon Witthayamet, the Thai charge d'affaires. Their meeting lasted about 40 minutes.

Concluding his official visit to Singapore, the supreme commander and party returned to Thailand yesterday night.

Prasong Affirms 'Cordial' Relations With Malaysia

BK1312030692 Bangkok THE NATION in English 13 Dec 92 p A3

[Text] Thailand's relationship with Malaysia remains cordial and, with the exception of an ongoing fishing problem, no serious disputes exist between the two countries, Foreign Minister Prasong Sunsiri said yesterday.

Prasong was speaking in Hat Yai after being briefed by local officials including Fourth Army Region Commander Lt Gen Kitti Rattanachaya and Centre of Administration for Southern Border Provinces Director Nipphon Bunyaphattha.

Prasong said the two countries have developed a closely coordinated relationship with each other in all fields.

The two countries have also promoted and strengthened economic cooperation between Malaysia's northern states of Peris, Kedah, Penang and Kelantan and the five southern-most provinces of Thailand, Prasong said.

"Most border problems with Malaysia have been settled peacefully by officials at the regional level," Prasong added.

He was on his way to visit Malaysia today to meet Malaysian Foreign Minister Abdullah Badawi and Prime Minister Mahathir Mohamad.

Prasong was told by Lt Gen Kitti that the only remaining urgent problem with Malaysian authorities was the fishing problem and was urged to settle it as soon as possible.

"Many Thai fishermen and their trawlers have been seized by Malaysian authorities in action resulting from misunderstandings over territorial waters," Kitti said.

Kitti also said he had asked Malaysian authorities to coordinate with Thailand in trying to solve problems related to the Muslim separatist movement in the southernmost provinces of Thailand.

"Malaysia has agreed in principle, but since it is a federal state, the central government in Kuala Lumpur cannot interfere in state political affairs," Kitti said.

He added that "even if the ruling government party agreed to help, it would not succeed if the opposition party, which is dominant in Kelantan, opposed it."

Minister Threatens Action Against Burmese Students

BK1112023192 Bangkok THE NATION in English 11 Dec 92 p A1

[Text] Interior Minister Gen Chawalit Yongchaiyut yesterday threatened to adopt what he described as a "more stringent measure" against Burmese students still refusing to report to a government holding centre in Ratchaburi.

But he refused to elaborate on what the measure would entail. Chawalit was speaking to reporters after touring the Maneeloy holding centre in Ratchaburi province.

Chawalit was told that only 11 Burmese students have reported to the centre so far. The Interior Ministry has classified 516 Burmese in Thailand as students eligible to enter the centre.

"In the next few days, we will have to adopt a more stringent measure against the Burmese students who refuse to go to the centre," Chawalit said.

When asked whether the measure would result in the arrest of some of the Burmese, Chawalit said: "We cannot do that. But we need to have a more stringent measure.

The interior minister claimed that authorities have the full list of Burmese students seeking refuge in Thailand.

Most of the Burmese students here said they did not want to report to the centre out of fear they would be forcibly sent back to Burma. Local and international human rights groups have criticized the Thai Government's policy toward the students.

The Maneeloy centre, set up in the middle of this year, is located on a 200 rai plot of land about 30 km out of Ratchaburi.

In Bangkok, about 200 Burmese students yesterday took part in a procession from Thammasat University to the Democracy Monument to mark Constitution Day and the 60th anniversary of Thailand's democracy. Some carried banners calling for the release of Burmese opposition leader Aung San Suu Kyi, who has been under house arrest for three years.

One Burmese student said he and his colleagues would report to the centre only if given a written guarantee by Prime Minister Chuan Likphai that they would not be returned to Burma.

Troops To Be Maintained Along Disputed Border

BK1212072292 Bangkok Radio Thailand Network in English 0000 GMT 12 Dec 92

[Text] Thai and Myanmar [Burmese] forces will maintain their presence along Hill 491 in Chumphon Province to keep peace and order at the border after their troop withdrawal. The withdrawal of troops from the hill by both countries will be accomplished by 25 December in compliance with the Thai-Myanmar agreement, which resulted from recent talks between delegations of the two countries.

Army Commander in Chief General Wimon Wongwanit said both sides must be aware of the agreement and avoid violation. General Wimon said representatives from the Army's Royal Thai Survey Department will also be included in the committee on demarcation of the Thai-Myanmar border. But, the operation will, however, take some time. The Thai-Myanmar border is over 2,300 kilometers long.

Deputy Foreign Minister Surin Phitsuwan, in his capacity as chairman of the committee on demarcation of the Thai-Myanmar border, yesterday met with the secretary general of the National Security Council, the director of the Royal Thai Survey Department, and the director general of Local Administration to discuss the issue.

1993 Export Target Set at 981 Billion Baht

BK1112112192 Bangkok Radio Thailand Network in Thai 0000 GMT 11 Dec 92

[Text] Thailand has set the target for 1993 exports at 981 billion baht, an increase of 16.1 percent from that of 1992. Sukhon Kanchanalai, director general of the Department of Business Economics, says the global trade system in 1993 will see the beginning of the integration of groups—the European Community [EC], ASEAN Free Trade Area [AFTA], and the North American Free Trade Area [NAFTA]. All countries, however, need to coexist in an interdependent role. She says the emergence of trade groupings adds a new opportunity for Thailand to expand her markets with many trading partners. The main markets for Thailand's exports are the United States, Japan, EC, and ASEAN countries. There are also new markets, such as South Africa and the Middle East. Next year's exports to the United States is set at 226 billion baht, an increase of 18.4 percent from this year; 177 billion baht is targeted for export to Japan. The director general of the Department of Business Economics says Thailand wants exports to the EC at 164 billion baht next year. However, the scheduled start of an EC single market set for January next year is still uncertain as members have not come to full agreement on certain issues. She said that Thailand's international trade policy for next year is to maintain traditional markets and to seek new markets. She mentioned new markets such as Indonesia. In 1993, Thailand's export target for Indochina is set at 6 billion baht, an increase of 24 percent.

Extended Compulsory Education 'Key' to Growth

BK1112014992 Bangkok BANGKOK POST in English 11 Dec 92 p 4

[Editorial: "Education Key to Long-Term Growth"]

[Text] One of the key points of the Government's policy statement presented to Parliament in mid-October was a plan to extend compulsory schooling for children from six to nine years and provide continuous education to the handicapped as well as others deprived of educational opportunities. It also envisaged making Thailand a regional centre for education, research, training, arts and culture. A budget was to be set aside to provide free lunch for children up to the primary level and give special attention to their health with an educational fund being set up to assist poor students. Wider delegation of power was also planned to give educational institutes more administrative and decision-making flexibility.

Recognition that six years of schooling is insufficient preparation for life in the outside world is long overdue. Unfortunately, while the intent is good, harsh economic realities will prevent parents in poorer parts of the country from complying, much as they might like to. Infrastructural questions also arise, the most pertinent of which is the number of quality schools available. These are not new problems and the Chuan Administration is to be commended for giving priority to their solution. For far too long, human resources development has seemed to play a secondary role to the need for cheap labour.

Future growth, as Deputy Prime Minister Dr Amnuai Wirawan pointed out just a week ago, will depend on education and technology. In the past, as he put it, Thailand has grown because of cheap labour and abundant resources. He correctly cited as the two basic reasons for Thailand's remaining a developing country the inadequacies of our education system, where only a relatively low percentage of children receive education beyond primary level and, secondly, the slow improvement of democratic institutions. He noted that limited education and low-level income in rural areas impeded development of the democratic system.

The country has taken a long time to recognise that low education standards and emerging NIC [newly industrialized country] status do not go hand-in-hand. In this Thailand is not alone, but merely following an unfortunate world pattern. Forty-four years ago, the Universal Declaration of Human Rights recognised the "right to an education." They were optimistic words for an optimistic time and based on the belief that as countries got richer, they would spend more on education.

It didn't happen. Instead it took several decades to understand the process, much less deliver the promise. And, in the meantime the world wasn't getting any less complex—there were plenty of other pressures and priorities to divert energies away from education.

Most people tend to assume that the rest of the world made steady progress in the field of education while Thailand lagged behind. What actually happened was that by the mid-1970s many developing countries had launched grassroots education systems that were lauded as revolutionary and effective. Poor countries, supported by international loans, were trying out new concepts and spending more on schools. Industrialised countries were expanding their universities, which were still coasting on the tail end of the baby boom.

These positive trends did not continue into the Eighties. In fact, the health of world education is declining rapidly and steadily. Since 1980 the amount spent on each student in 37 of the world's poorest countries has dropped by 25 per cent. Often struggling with overcrowded and understaffed schools, the teaching profession worldwide has become recognised as one of the poorest- paid and least-rewarding professions. In most countries, universities have had their budgets slashed and community programmes cancelled.

The real cause for concern lies in the fact that the situation is getting worse, not better. If current trends continue worldwide, the number of children not in school will almost double by the year 2000. The implications are dire. Education has become increasingly recognised as the most basic weapon against poverty and illness. Education gives people confidence and the ability to help their country grow as they absorb vital information, such as how to care for a sick child, or how to protect the environment. It's time for Thailand to swim against this negative global tide.

Our use of mass media such as TV Channel 11 and University of the Air radio stations has proven to be one effective and inexpensive innovation. Other countries committed to providing education in tough economic times have also adopted ideas suited to local conditions over the past decade.

Introducing nine years of compulsory schooling while at the same time moving to first ease and then remedy the other problems that this creates, will go a long way towards ensuring every child a right to a full education. There can be few higher priorities for any socially-conscious government.

Vietnam

VNA Reports on Meeting With U.S. MIA Search Team

BK1112150992 Hanoi VNA in English 1449 GMT 11 Dec 92

[Text] Hanoi VNA December 11—Vietnamese and US specialists in the search for Americans Missing in Action in the war met here on Dec. 9 and 10.

They reviewed the recent 20th joint search and expressed satisfaction at the results. They agreed that the 21st joint search will take place from January 2-18, 1993 and discussed a number of technical measures to increase the effectiveness of the search for innformation about American MIA's, field surveys and excavation and collection of remains.

Lieutnent General Thomas Needham, head of the US specialists' group on behalf of the US Government thanked the Vietnamese Government and people, especially the local authorities and population for their cooperation and assistance.

The Vietnamese side reaffirmed its readiness to continue cooperation with the US side in the humanitarian spirit to fulfil the plans agreed at the high level. The US specialists left here today.

American Civilian Delegation Received

BK1412030092 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 8 Dec 92

[Text] Accepting the invitation of our Foreign Ministry, an American civilian delegation led by Mrs. Vicky (Mack) paid a working visit to Vietnam from 3-9 December.

During its stay, the delegation was cordially received by Deputy Prime Minister Phan Van Khai. This is the first American civilian delegation to Vietnam to study cooperation possibilities. The delegation consists of 42 members who are medical doctors, professors, and lawyers representing 19 states of the United States.

At a reception, Comrade Phan Van Khai welcomed the delegation's visit to Vietnam while members of the delegation expressed their wish to help Vietnam in the fields of education, medical service, trade, and agriculture. During its visit, the delegation also held working sessions with many related ministries and sectors.

Envoy Attends SNC Meeting, Denies Troop Presence

BK1212024392 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 11 Dec 92

[Text] The Supreme National Council [SNC] of Cambodiia on 10 December held a session to discuss the issues of immigrants, refugees, and foreign forces in Cambodia.

Speaking at the session, Tran Huy Chuong, our ambassador accredited to the SNC, affirmed that Vietnam had withdrawn all its volunteer troops from Cambodia in September 1989. Ambassador Tran Huy Chuong said:

Vietnam began the annual partial withdrawal of its volunteer forces from Cambodia in 1986 and completed the total withdrawal of these forces, together with their weapons, ammunition, and equipment, from Cambodia in September 1989. Since then, Vietnam has not sent its forces, weapons, ammunition, and equipment in any form back to that country.

In a statement issued on 24 December 1991, the Government of the Socialist Republic of Vietnam [SRV] solemnly reaffirmed that it had completed the total troop withrawal and had not sent its military forces back into Cambodia.

As an act of goodwill, the SRV Ministry of Foreign Affairs on 20 May 1992 also formally informed the United Nations Transitional Authority in Cambodia of this fact.

The fictitious and fabricated allegations about the so-called presence of Vietnamese forces on Cambodian territory are merely a trick aimed at hindering and sabotaging the peace process in Cambodia.

Island Disputes To Be Settled 'By Peaceful Means'

BK1212152492 Hanoi VNA in English 1504 GMT 12 Dec 92

[Text] Hanoi VNA December 12—'Vietnam always makes it a principle to settle disputes by peaceful means and to respect international sea law and the sovereignty and interests of all countries,' said Ambassador Trinh Xuan Lang, head of the Vietnamese permanent mission at the United Nations session on Dec. 10.

Ambassador Trinh Xuan Lang reiterated Vietnam's oft-repeated position that the Hoang Sa [Paracels] and Truong Sa achipelagoes are territories of Vietnam. Vietnam will hold talks with the concerned countries on the sovereignty over these two achipelagoes. In regard to Truong Sa (Spratly) because many countries have made territorial claim to this achipelago, Vietnam maintains its position that pending a reasonable and satisfactory solution, all the concerned countries may agree on a temporary solution to maintain each its own area of jurisdiction, observe self-restraint and refrain from any action that might affect the efforts aimed at building confidence and lessening tension in the relations among countries in the region.

He further stressed that while striving for an acceptable and fair solution to all parties, Vietnam is conducting negotiations on the delienation of sea borders with Indonesia, Malaysia, Thailand and China. He said: 'We note with satisfaction some progress in our negotiations with a number of Southeast Asian countries. On this point, Vietnam once again reaffirms that it fully supports the principles set forth in ASEAN's statement of July 22, 1992. We believe that with the goodwill and mutual respect from all concerned parties, all disputes, however complicated, could be settled'.

Report on Spratly, ASEAN Ties

BK1412024392 Bangkok BANGKOK POST in English 14 Dec 92 p 3

[Text] Defending Vietnam's sovereignty and territorial integrity at sea remains the country's "most complicated struggle", Vietnamese Foreign Minister Nguyen Manh Cam said on Friday.

During the official visit of Chinese Prime Minister Li Peng to Hanoi, Vietnamese leaders tried to convince China of Vietnam's sovereign rights over the Spratlys and Paracels, Cam said.

Cam was reporting on the year's diplomatic activities to Vietnam's National Assembly.

But he said that Vietnam has strengthened its ties with ASEAN.

"The Vietnamese prime minister's visits to all ASEAN countries and the visits of some ASEAN leaders to Vietnam have laid the foundation for a new stage. On this basis, relations between Vietnam and ASEAN countries have developed rapidly, he said.

This year Vietnam acceded to the Treaty of Amity and Cooperation paving way for future membership of ASEAN, which had previousley called for international sanctions to force the withdrawal of Vietnamese troops from Cambodia.

"Some of the long-standing problems in bilateral relations have been solved, such as overlapping claims at sea with Malaysia, Thailand and Indonesia, and the issue of overseas Vietnamese in Thailand," Cam said.

Foreign Minister Prasong Sunsiri is scheduled to visit Hanoi between Dec 23 and 25, when he will exchange notes with Vietnam on the renunciation of dual citizenship of overseas Vietnamese in Thailand.

Under the agreement reached earlier this year, Thailand will grant citizenship to the so-called refugees of the Dien Bien Phu era in Thailand, and effectively they will give up Vietnamese citizenship.

The vietnamese foreign minister said Hanoi has to date, signed some 30 agreements with ASEAN countries for cooperation in economic, commercial, technological, cultural and educational fields.

"All (ASEAN) countries are trying to promote investment in Vietnam, helping us train cadres, and giving us some aid " he said.

While in Hanoi Foreign Minister Prasong will also sign an agreement for the provision of 150 million baht in credits to Vietnam.

On Cambodia, Cam told the National Assembly that Vietnam is determined to defend its sovereignty and has "appropriate measures to secure the lives and assets of Vietnamese nationals in Cambodia."

He added that border crossings by Vietnamese citizens along the Lao and Cambodian frontiers has caused some trouble to the Vietnamese authorities.

Vietnam will continue to diversify foreign relations with all countries, while continuing efforts to solve the problems of the Vietnamese boat people, Vietnamese nationals overseas and guest workers, he said.

He said that Vietnam has urged china to open more official border checkpoints and to help curb smuggling.

Dao Duy Tung at Portuguese Communist Party Congress

BK1312151792 Hanoi VNA in English 1454 GMT 13 Dec 92

[Text] Hanoi VNA Dec 13—A delegation of the Communist Party of Vietnam led by Dao Duy Tung, Politburo member and secretary of the Party Central Commitee, attended the 14th Congress of the Portuguese Communist Party held in Almada from Dec 4-6.

In his greeting speech, Dao Duy Tung exalted the staunch struggle of Portuguese Communists, who over the past 72 years have fought against fascism, contributing to the success of the revolution in April 1974, and who are resolutely defending achievements in the struggle for democracy and progress. He reaffirmed the Vietnamese people and communists' solidarity and friendship with the Portuguese people and communists.

During the congress, Dao Duy Tung met with Alvaro Cunhal and Carlos Carvalhas, respectively new chairman of the National Council and general secretary of the Portuguese Communist Party.

Ministers Welcome Armenian State Delegation

BK1112150392 Hanoi VNA in English 1449 GMT 11 Dec 92

[Text] Hanoi VNA December 11—A state delegation of the Republic of Armenia led by Vice-President Gagik Arutyunyan arrived here today for an official friendship visit to Vietnam at the invitation of the Vietnamese state.

Present at the state welcome ceremony at the presidential palace were Mrs. Nguyen Thi Binh, vice-president of the republic, Tran Duc Luong, deputy prime minister Dang Huu, minister of science, technology and environment Nguyen Viet Dung, director of the president's office Nguyen Di Nien, deputy foreign minister and other senior officials.

Fete Armenian State Delegation

BK1112151592 Hanoi VNA in English 1458 GMT 11 Dec 92

[Text] Hanoi VNA December 11—Vice-President of the republic Mrs. Nguyen Thi Binh offered a banquet at the presidential palace here this evening in honour of Armenian Vice-President Gagik Arutyunyan and his party who arrived earlier in the day for an official friendship visit. Present at the banquet were Deputy Prime Minister Tran Duc Luong and other senior officials.

Vice-Presidents Nguyen Thi Binh and Gagik Arutyunyan proposed toasts to the further consolidation and development of the friendship and cooperation between Vietnam and Armenia.

Talks Held With Delegation

BK1212153692 Hanoi VNA in English 1507 GMT 12 Dec 92

[Text] Hanoi VNA December 12—A state delegation of Vietnam led by Vice President Mme Nguyen Thi Binh held talks here today with the visiting state delegation of Armenia led by Vice President Gagik Arutyunyan. At the talks, the two sides expressed their desire to strengthen cooperation between the two countries and noted that the possibilities for development of the multifacted bilateral cooperation are very great. They also discussed measures to increase relations in the economic, commercial, scientific and technical domains. The two sides agreed to sign an agreement on encouragement and guarantee to investment, an agreement on cultural, scientific and technical cooperation, an agreement on economy and commerce aimed at creating a legal basis for the operation of business organisations. The two sides also exchanged views on international and regional issues of mutual concern. The talks took place in an atmosphere of friendship and mutual understanding. Earlier in the day, the Armenian delegation paid homage to President Ho Chi Minh at his mausoleum and visited his home and office.

VP Received by Vo Van Kiet

BK1212154692 Hanoi VNA in English 1506 GMT 12 Dec 92

[Text] Hanoi VNA December 12—Prime Minister Vo Van Kiet this afternoon received the state delegation of Armenia lead by Vice President Gagik Arutyunyan. Also present were Dang Huu, minister of science, technology and environment, Nguyen Viet Dung, director of the president's office and Deputy Foreign Minister Nguyen Di Nien. Speaking on this occasion, the prime minister said: 'The Vietnamese-Armenian relation is the continuation of the fraternal traditional relations between Vietnam and the former Soviet Union. Vietnam is growing and advancing mainly by its own efforts, but the cooperation and assistance of the fraternal countries is very important. Vietnam attaches great importance to the establishment of multifaceted cooperation with Armenia. The traditional friendship between the two countries will be a basis to guarantee the development of bilateral cooperation on a higher qualitative level'. In his reply, vice president Arutyunyan said: 'The problems that Vietnam has settled, the experiences that Vietnam has won, especially in the economic area, will be treasured by Armenia and will help Armenia settle its immediate difficulties and development problems in future'. He expressed his hope that the two countries would joint efforts to exploit the potentials of each country and establish cooperation in diversified forms in the coming period. The vice president particularly praised Vietnam's contributions to the stability in the region.

Received by Le Duc Anh

BK1312145592 Hanoi VNA in English 1447 GMT 13 Dec 92

[Text] Hanoi VNA December 13—President Le Duc Anh received at the Presidential Palace here this morning Vice-President of the Republic of Armenia Gagik Arutyunyan and his party on an official friendship visit to Vietnam from Dec. 11.

Speaking at the reception, Vice-President G. Arutyunyan said that his country wished to develop its cooperation and friendship with Vietnam. He conveyed best wishes from the Armenian president to President Le Duc Anh and the entire Vietnamese people.

President Le Duc Anh welcomed the visit, and said that it would help further promote the bilateral cooperation and friendship for the interests of the two peoples.

Later in the day, the Armenian vice-president held a press conference in the presence of Vietnamese Deputy Foreign Minister Nguyen Dy Nien and a great number of Vietnamese and foreign mass media workers.

Vice President Arutyunyan gave a briefing on the results of the talks between Armenian and Vietnamese delegations and on the signing on this occasion of agreements on economic, commercial, cultural, scientific and technical cooperation and on investment promotion and protection, and a protocol on cooperation between the foreign ministries of the two countries.

Regarding Armenia's trade relations with Vietnam, the vice-president said that Armenia exported to Vietnam machinery, chemical products, car tires, motors, etc. On personnel training he made known that his country over that past more than 40 years helped Vietnam train 700 professionals and technicians.

After that press conference, the Armenian delegation left Hanoi for Ho Chi Minh City.

Among those present at the official farewell cermony at the presidential palace were Vice-President Mrs. Nguyen Thi Binh, Minister of Science, Technology and Environment Dang Huu and Deputy Foreign Minister Nguyen Di Nien.

The Armenian guests were accompanied to Ho Chi Minh City by Nguyen Viet Dung, diretor of the president's office.

Holds News Conference

BK1412103192 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 13 Dec 92

[Report on Armenian Vice President Gagik Arutyunyan's 13 December news conference in Hanoi—portions of his statements recorded in Armenian and fading into Vietnamese translation]

[Text] Dear friends, this morning, 13 December, at the Presidential Palace, Armenian Vice President Gagik Arutyunyan, head of the Armanian State delegation currently visiting Vietnam, held a news conference on the visit. Attending the news conference were a large number of newsmen from news agencies, newspapers, and radio and television stations at home and abroad.

At the beginning of the news conference, Vice President Gagik Arutyunyan said: The Armenian and Vietnamese peoples have had long- standing relations of cooperation and friendship. This has helped in maintaining the good relationship between the two countries despite the changes in Armenia. Now that the former Soviet Union has ceased to exist, Armenia has become an independent and democratic nation. Armenia and Vietnam now maintain a new, direct bilateral relationship. This has resulted in the first official friendship visit to Vietnam by an Armenian state delegation, which is led by myself. We have held official talks with Vietnamese leaders during our visit. We have learnt from the considerable experience of our Vietnamese friends in the implementation of their reform and renovation undertaking, especially their experience in managing the market mechanism. We also briefed our Vietnamese friends on the various tasks being carried out in Armenia and exchanged views and experiences with Vietnamese leaders in other fields.

At present there are major changes going on in the world and a number of conflicts in the region are being resolved. We also discussed these issues in our talks. At the close of our talks with the Vietnamese leaders, a number of agreements were signed, namely: the agreement on economic cooperation; the agreement on investment promotion and protection; the agreement on cultural, scientific-technological cooperation; and the agreement on economic and trade cooperation aimed at establishing legal bases for business organizations of the two countries to carry out their activities. Moreover, the two sides also signed a protocol on cooperation between the two countries' foreign ministries, and a protocol on cooperation between their ministries of light and heavy industries. Both sides also signed an agreement on the exchange of personnel and the training of cadres for various fields. I am convinced that the agreements and protocols signed by the two sides will serve as a good basis for expanding and strengthening cooperation between the two countries. Our talks with the Vietnamese leaders proceeded in an atmosphere of friendship, sincerity, and mutual understanding. We also had the chance to learn from our Vietnamese friends' experience in the management of enterprises and their activities. We strongly believe that the renovation undertaking in Vietnam is bearing fruitful results and will make Vietnam a prosperous nation.

Afterward, Vice President Gagik Arutyunyan answered questions from newsmen. Concerning a PRAVDA correspondent's question on cooperation between Armenia and Vietnam, he said: As I mentioned earlier, the two countries have had a long-standing relationship in economic and trade cooperation, even during the era of the former Soviet Union. Armenia exported to Vietnam such items as machinery, chemical substances, car tires, electric motors, tractors, pumping machines, and generators, while from Vietnam we imported mostly agricultural products. We are striving to expand cooperation between the two countries in this regard. Worthy of note is that during the past several years, Armenia has played an important role in training Vietnamese specialists. Over the past 40 years, about 700 Vietnamese specialists were trained in Armenia.

Concerning his impression of the visit to Vietnam, Vice President Gagik Arutyunyan said: Our trip to Vietnam has been a successful one. We have received a warm welcome from, and held talks with, the Vietnamese leaders. With this success, we have the basis to believe that the relations between Vietnam and Armenia will be further developed and strengthened in the days ahead.

Cooperation Agreements Signed

BK1312151392 Hanoi VNA in English 1451 GMT 13 Dec 92

[Text] Hanoi VNA December 13—Documents on cooperation between Vietnam and Armenia were signed here this morning.

Vietnamese Minister of Science, Technology and Environment Dang Huu and Armenian Minister of High Education and Science V. Grunhi signed an agreement on cultural, scientific and technological cooperation between the two governments.

An agreement on economic and trade cooperation was signed by deputy head of Vietnam's State Planning Commission Tran Xuan Gia and Armenian First Deputy Minister of Economy G. Sarerkissan.

An agreement on investment promotion and protection was signed by Vice Chairman of Vietnam's State Commission for Cooperation and Investment Nguyen Mai and Deputy Minister of Finance M. Eranossan of Armenia.

A protocol on the cooperation between the two countries' foreign ministries was signed by Deputy Foreign Ministers Nguyen Dy Nien and his Armenian counterpart, G. Kasinhan.

Vice President Nguyen Thi Binh and Vice President Gagik Arutyunyan witnessed the signing.

Vo Van Kiet's Assembly Report

Part 2

BK1112105392 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 9 Dec 92

["Second Part" of Prime Minister Vo Van Kiet's report on the socioeconomic situation, delivered at the opening of Ninth National Assembly's Second Session on 9 December at the Ba Dinh Conference Hall in Hanoi—read by announcer]

[Text] Various main and key tasks, policies, and measures that must be implemented in 1993.

We must be thrifty and bring into play all sources of investments for development to fulfill the strategic target of doubling our gross domestic product (GDP) by the year 2000 compared to 1990. This requires a $40-billion investment over a 10-year period. For five years from 1991-95, our economy needs $12-14 billion. If we want to catch up with our neighbors, we must strive for a higher economic growth and invest more in large-scale and effective projects.

In 1991 and 1992, we have been able to invest about $2 billion, relying chiefly on foreign capital and capital from basic depreciation cost. Our present national income is just enough for the national expenditure. State revenue is also limited and we do not have savings. We must overcome this situation to accelerate the pace of economic development. First, we must urge people nationwide to be thrifty while expanding investments. As our per capita income is very low, we cannot rely on savings. Our country is still very poor. However, our thriftiness and the investments as a whole are significant factors. Also, our people are intelligent, diligent, and know how to amass wealth. If we have correct policies and can create favorable conditions for investment and development, our people will most likely stop wasting their money and save for investment and for wealth. They will not save gold or U.S. dollars but will invest them in production and business to earn more money before thinking of building new homes or buying expensive household appliances. They will contribute their effort, wisdom, and capital to production activities and business.

While our state budget is constrained and our investment limited, state property and capital have been used extravagantly. Wasteful spending for festivities is still prevalent. In contrast, production establishments are short of capital, many people who have given meritorious service to the state live difficult lives, and many children face malnutrition. While it is bad to waste one's money, wasting state property or the budget is worse. We must consider this an act of sabotage that must be condemned by our society.

The government shall issue orders to prohibit wasteful spending at state agencies and enterprises, especially spending for festivities, gifts, and banquets for various meetings, seminars, anniversaries, and receptions. The government shall also increase the tax rate for luxury goods, especially on imports.

The National Assembly's unanimous efforts and the people's strong support are significant factors that will determine how the government will implement the decisions.

While applying various administrative measures, we must strive to extensively educate our people to uphold national pride, to be thrifty, and be diligent in building our fatherland. The spirit of nationalism and patriotism have mobilized our people nationwide to fight for independence and liberate the country. Today, we must strive to motivate all Vietnamese at home and abroad to enhance this spirit and to strengthen their solidarity and to contribute to strengthening the country and enriching the people. This is to help modernize the country, to extricate it from hunger and poverty, and to stop it from regressing.

Why are we still facing hunger and poverty? What should we do to make our families and country rich to enjoy a more abundant life? These are questions that can be answered in the efforts of each individual and family, and each hamlet, village, ward, and province nationwide.

The state pledges to implement its multisectoral economic policy consistently and strictly to ensure that every one and every economic unit—irrespective of its form of ownership—can freely engage in trade in accordance with the law. The state also pledges to create a favorable environment for development while guiding and assisting investment efforts.

We have promulgated a law on foreign investment. However, we still do not have a law on local investment. A relatively large number of echelons and sectors have caused numerous difficulties and inconvenience, thus dampening the enthusiasm of investors in the country. The policy of giving preferential treatment to domestic investment cannot be less attractive than that for foreign investment. In fact, it can be more attractive in certain areas.

The government will immediately draw up and promulgate various legal documents. In the initial stage, it will draw up law-governing documents and then turn supplements and amendments into laws before submitting them to the National Assembly.

The government will also determine clearly the preferential treatment policies—in taxation, credit, and land allocation or lease—for investments that can bring about substantial results, employ a huge number of labourers, and satisfactorily tap and use the country's natural resources.

Tax exemption will be granted to profits of various business enterprises that are reinvested. Tax exemption for a certain number of years will also be given to production establishments that have just begun to operate, that have opened up virgin land, and planted forests or industrial crops.

Meanwhile, it is necessary for all sectors and localities to provide intensive guidance to various businesses and the people to invest in development in a way that meets market demands.

Why did all the recent investment forums and seminars pay attention to foreign businessmen only? Such forums and seminars are necessary and should be held more often. However, it is common to aviod paying much attention to local businesses and businessmen. This is a serious shortcoming that must be redressed.

It is necessary to continue consolidating and developing the state-operated economy. In all key sectors and domains of the economy, we must change technical and managerial work to fulfill our major role through productivity, quality, and efficiency and not rely on subsidy and monopoly. As an immediate step, we must reorganize and register all state-run businesses and give close guidance to the experiment to restructure some enterprises, so as to expand them gradually.

Enterprises such as retail stores, foodshops, local hotels, and ordinary service shops that should no longer be placed under the state-operated system, can be put on long-term lease or turned over to collectives or individuals for management and operation. Houses under state management, except for a number of essential equipment, should be sold together with the land at a unified and reasonable prices on a priority basis to the current tenants.

These policies will not only accrue capital for the state for investment in necessary projects, they will also ensure that assets are better protected and used.

Regarding agricultural cooperatives and peasant families, it is necessary to make exhaustive amendments and supplements to the law on land and get the state to allocate land to peasant families on a stable and long-term basis. It is also necessary to issue certificates and make uniform supplements to the policies on agricultural credits and farm subsidies. This is to encourage peasants to invest in the development of production confidently.

We must continue to bring into full play the autonomy of the peasant household economy. At the same time, we must accelerate the renovation of the organization and the operations of cooperatives. This is to enable them to truly develop their effectiveness in providing supplementary support to the peasant household economy.

Part 3

BK1112144992 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 10 Dec 92

["Third Part" of Prime Minister Vo Van Kiet's report on socioeconomic situation delivered at the opening of Ninth National Assembly's Second Session on 9 December at the Ba Dinh Conference Hall in Hanoi—read by announcer]

[Text] Concerning individual and private trade, it is necessary to eliminate discrimination in the implemention of some specific policies, to apply the principle of equality in granting credits, and to encourage investment development regardless of the scale and activities, provided that they are in areas not prohibited by the law.

The state commends and the society welcomes private business establishments that can provide more jobs for the workers and operate effectively in accordance with the law, thereby contributing more revenue to the state. Special effort must be made to encourage family economy, to optimally use the labor force and capital, to develop and exploit fertile land, to promote animal husbandry, and to encourage handicraft and small trades. All sources of the people's capital must be invested in production and business to earn more interest in diversified forms. Those with money can invest in business, buy shares, save money at various banks, or buy insurance policies.

In 1993, we must strive to establish and develop capital markets, especially at investment and commercial banks and including branches of foreign banks. We must concretely carry out activities in accordance with businesslike methods and accumulate capital for lending with interest rates in accordance with the market mechanism. The banks must formulate measures to meet the requirements for loans needed by economic components in order to develop their activities, while expanding forms of credits namely short- and long-term credits for their clients. If warranted, foreign loans may be sought for production establishments at home with reasonable interest rates. We must strive to quickly overcome the condition that foreign currencies are deposited in foreign banks abroad to earn interest while production establishments at home are short of capital and have to ask for loans with high interest rates. Various banks will be considered incapable if people in their localities still have to pay high interest rates for their loans.

With the abovementioned policies and measures, we must strive to attain a remarkable progress in investment and in accumulating capital derived from our gross national product in 1993. This will create favorable conditions to attract more foreign investment and effective use of foreign capital.

Indeed, at present, we have new and great opportunities to gain foreign loans and aid for development from foreign governments and international organizations.

We are also in a good position to draw direct investments from foreign businessmen. These possibilities, however, will become true and bring about good results only when we can urgently make reparations and create essential conditions for effective settlements of our debts to the International Monetary Fund. We must also settle other foreign debts, which are due. This will help us to attract more foreign investment. We must strive to formulate plans for key areas to build a scientific basis to supplement important projects and avoid mistakes that may have long-term conseqences. We must also strive to formulate investment projects and arrange them in an appropriate priority pattern, taking into consideration their significant level, the possibility of obtaining capital, and the capability to promote the investment atmosphere. We must strive to train and foster cadres to meet requirements to expand foreign trade relations, formulate state management mechanisms in this regard, and take responsibility to effectively use and refund all foreign loans, especially those provided on credit.

The investment structure also needs to restructure to ensure efficiency and the ability to make loan payments. The state budget only funds infrastructure building projects, which cannot recover its capital investment. And the investment procedure must be controlled tightly and closely to prevent loss and waste.

Regarding those infrastructure building projects, which can recover in part or the entire capital investment, the government will partly fund the projects to support them, but they have to raise their main capital in the country or by foreign investment or loans. They are allowed to collect fees to recover capital investment and exchange to foreign currencies to repay foreign debts or transfer foreign investors' funds according to the Law on Foreign Investment. This way of doing business needs to expand strongly to quick build infrastructure projects.

The production and business projects invested by local or foreign capital must totally rely on their self-generated, shared, or borrowed capitals. The government does not fund these projects, but it can support necessity projects with some concession loans.

In the 1993 investment plan, the major national projects with special importance to build a material-technical base for the development strategy until the year 2000 must find their own capital, especially the projects which must start this year. In urgent cases, they must seek loans for their investment if the results and loan repayment ability can be guaranteed. With important projects such as the Yali Hydroelectricity Power Station, Natural Gas Transmission Line, nitrate fertilizer production plant, deep water ports in North and South Vietnam, and some arterial transportation projects, it is necessary to submit the planning, investment category, and detailed construction plans to the National Assembly for approval.

3. [number as heard] Inflation control and financial, monetary stabilization.

Based on 1992 improvements, we need to take a decisive step in this area to accelerate the uniform progress in the market mechanism, make good use of macro management instruments, and create stable conditions for development investment.

In 1993, we can and must continue to reduce the inflation rate to less than 15 percent, attempt to keep the inflation rate in single digits in order to maintain the actual purchasing power of the money under the new wage system to be applied this year, while reducing the risks for local and foreign investors in the application of a uniform pricing system.

The most important approach is to balance the budget in accordance with the new method in conjunction with efforts to renovate the monetary system. Despite the fact that the 1993 state budget must cover many big expenditures, we determinedly will not issue more money to cover expenses. We will rely on revenue increases and borrowed resources. At present, the ratio between budget revenues and the gross domestic product is too low. Yet, we shall not increase revenues by raising tax rates, but chiefly by reforming the tax system to stimulate production and business and expand the sources of revenue.

In 1993, we have to also collect the value-added tax in a number of sectors where conditions exist and gain experience in order to gradually expand it. We shall also re-adjust the import-export tax, the oil tax, stamp duties, and so forth. We will establish regulations in business accounting, expand accounting and auditing services, and eliminate corruptive practices in tax collection together with smuggling.

In the national budget, all regular expenses must totally rely on the revenues raised from tax and fee collection and gratis foreign aid for consumption demand. We must make it a rule not to borrow for regular spending. We must strive to get enough income from inside the country, not only to cover the regular spending, but also to have a surplus to pay debts and to invest in development.

In 1993, there will be many regular and urgent expenditures. For instance, the increased expenditure with the application of the new wage system, for national defense and security, and to better meet the requirements in eduation, culture, public health, and the welfare policy. Therefore, payments for foreign debt, mostly those carried over, will have to be financed by loans. As for development money, apart from the amount collected from capital depreciation, we will also have to depend mainly on loans from inside and outside the country. We should improve our knowledge about international finance in order to be able to choose the source of loans wisely and to devise strict regulations on its use, if we are to ensure the effectiveness of the loans and our debt-servicing capability.

As for local budgets, we should specify the various sources of revenue and spending. A locality can keep the permitted revenue sources even if the amount exceeds the target. We should do away with fixing the annual revenue quota for each locality. All localities should do their best to balance their budget. At least, they should try to meet their regular spending requirements and to contribute more to the central budget. The central budget will only be used to provide additional aid to a few localities that face exceptional difficulties, as its main function is to supplement expenditure for infrastructure and public utility projects.

The monetary policy should continue to be renovated in order to stabilize the prices and the exchange rate, while ensuring the replenishment of money needed for the smooth and uninterrupted flow of goods and support services. The regulation on the volume of money needed for circulation should be switched from predetermined patterns as advocated in subjective plans to flexible management based on market conditions. We should use bank management tools to increase or reduce the money supply in place of intervention through administrative orders.

The new monetary mechanism and policy require us to distinguish categorically the functions of the central bank and commercial banks in accordance with the law already in force.

As a state management organ in the monetary and credit sector, the central bank has the main duty of stabilizing prices and exchange rates. It should be the last lender in the credit system and would not have any trade functions. Monetary and credit business transactions should be handled chiefly by commercial banks. They should switch to profit-and-loss accounting and should broaden their operations in accordance with procedures cited above.

It is necessary to step up reform in the banking system in accordance with the law. This should range from its structure to its mechanism and modus operandi. In accordance with their functions, we should determine the relations between the central bank and other commercial banks, and between commercial banks, business enterprises, and the people.

At present, we have the potential to apply a regular system of foreign currency trading and to maintain a stable, realistic exchange rate. This will serve as a basis for us to uphold the principle that only Vietnamese money is allowed to be used on Vietnamese soil. Foreign currency should no longer be a means of payment within the country. Business enterprises need not necessarily export something to obtain foreign currency. Only by doing so can our monetary system become truly active and the Vietnamese currency gradually become convertible. This is an important foundation in the complete linkage of the domestic market with the world and will create highly favorable conditions for increased investment and the broadening of foreign economic relations.

Part 4

BK1212143792 Hanoi Voice of Vietnam Network in Vietnamese 0800 GMT 10 Dec 92

["Fourth part" of Prime Minister Vo Van Kiet's socioeconomic report delivered at the opening of Ninth National Assembly's second session at the Ba Dinh Conference Hall in Hanoi on 9 December 1992—read by announcer]

[Text] 4. Effect a vigorous change for the better in the cultural and social domains:

The party Central Committee will soon meet to discuss cultural, artistic, educational, and public health, and family planing activities and will determine those viewpoints on and orientations for these domains which need to be thoroughly understood.

For its part, the government is responsible for building and enforcing various structural policies in order to broaden these activities with the use of funds provided by the state and other sources, including those obtained from abroad. Great attention should be placed on developing the potential of various collectives and individuals to participate in activities and make their contributions.

Here I would like to report to the National Assembly on some pressing cultural and social issues. We affirm that our folk culture is a fruit crystallized from the thousand-years-old history of the communal development of the Vietnamese people. This fruit has created the mind, bearing, and ability of our people, has enabled them to survive and develop and has glorified our country although they have had to constantly cope with countless extremely great difficulties.

Facts have increasingly attested to the reality that culture and education are a strong driving force for socioeconomic development. Nevertheless, the attention given by our state to this domain appears to have been inadequate.

In 1993 and the ensuing years, we should continue to struggle persistently to build and develop a modern culture with a strong national identity as well as to make efforts to broaden our cultural exchanges with foreign countries to further enrich our national culture. Cultural and artistic activities should lay strong emphasis on our society's noble values and should resolutely criticize the social vices that are now undermining our nation's fine customs and tradition.

We should resolutely eradicate drug addiction, prostitution, gambling, and the like which are flourishing in various cities and even in certain rural areas. These bad practices are now the source of worry for our entire society, because not only are they against our national ethics and traditions but they will also have a bad impact on the economic growth and, more seriously, will harm the health of the people, weaken the people's latent potential, and leave serious consequences for future generations. To allow these bad practices to drag on is therefore unacceptable.

It is essential that every sector and echelon should, with good sense of responsibility, implement those measures already laid down, such as doing away with poppy growing, replacing poppieswith other crops, adopting various policies to ensure the people's lives, effectively organizing drug-addict rehabilitation, dealing harshly with drug trafficking and consumption, immediately eradicating whore houses and flesh trading rackets, and strictly punishing procurers and those who condone them.

With practical and effective measures, we should promptly solve the state of homeless children now living on various sidewalks and quays and in bus terminals.

Together with responsible organs, the chairmen of the people's committees at various levels, especially at the district, ward, and village levels, should personally grasp the situation regarding social vices in their areas of responsibility and take prompt countermeasures.

I would like to present some points about the issue of employment and wages:

In 1992, the state has revamped its structural policies and helped workers create or find their jobs. The method of providing financial allocation according to projects has produced better results than that under the administrative system. With the efforts made by the state, we have been able to initially generate the capability of every person, family, mass organization, and social organization to settle by themselves or help one another in solving difficulties in employment and everyday life.

Realities in 1992 show that we still have great potential to solve various social issues in the direction of socialization [xax hooij hoas] and in accordance with the motto of the state and the people working together.

Results and experiences obtained in 1992 with many diverse forms should be reviewed by various sectors and localities in order to develop them more effectively in 1993.

We can and must solve the unemployment issue in a more positive fashion. We must link this with various policies to increase investment for development that will be based on the enhancement of the capabilities of every person, family, and grass-roots unit. The state will assist mainly through the building of the infrastructure and the granting of loans with preferential conditions.

From actual experience, in 1993 we should deploy vigorously and more promptly the budget to finance various job creation projects. Priority should be given to land reclamation, afforestation, industrial crop projects to cover empty land and bare hills with greenery as well as other projects aimed at developing small-scale production and business establishments and their activities.

In the employment issue, specific attention should be paid to those who have received professional training at schools as this will have a great impact on their scholastic spirit and their will to make progress in society. The educational and training system should, on the one hand, readjust its student recruitment system, improve its training quality, and renovate its training method in order to meet public demands and suit the dynamic development of the market economy. On the other hand, it should devise a special program to provide additional necessary knowledge for those high school and college graduates who are still unemployed if we are to replenish cadres to those areas of work still in need of personnel.

The Ministry of Education and Training is responsible for cooperating with responsible organs in urgently accelerating this task.

The new salary system is a successive step of the salary reform process after our basic monetarization of various in-kind salary systems in 1992. The main purpose of the new salary system is to rationalize income between the various sectors and administration and service organs, while overcoming the indiscriminate character of the old salary system. Everyone knows that with the current salary, all organizations must find ways to provide extra income for their workers and staff. The extra income is variable between organizations and their efforts to provide the extra income, even legally, still create unfavorable results in term of order and laws.

The new salary system is aimed at providing a stable, sustainable income for salary earners together with the elimination of illegitimate extra profits which are drawn from the state budget. This is an improvement for workers without or with very little supplementary income. At the same time, the new salary scale will be applied in the new salary system. The differences in salary between different levels will be broadened to encourage better efficiency and skills. It is possible to say that the substance of the new salary system in 1993 is to reasonably adjust the salary in the administration and non-profit sectors.

We cannot increase the salary without reference to practical conditions when the economic efficiency and productivity of the society is still low and when the state mechanism is not yet reasonably strengthened.

In the state-run economic sector, the wages will depend on the production and business results of each unit but the labor cost in the price of each product will be effected by the new salary system.

Despite the administration and non-profit sectors acquiring a higher percentage of workers with better systematic training, they still have an average salary lower than that of the production and business sector. We have to accept that situation. Only when the production and business sector develops, improves its productivity, and increases revenue for the state budget can we adjust the new salary system according to the social scale and value.

After the National Assembly decides on the policy and principles, the government will be responsible for the strict implementation of the new salary system, especially for the arrangement of personnel staffing, civil service system, and position qualifications in order to create a new working discipline in the administration and non-profit sectors.

5. Conducting administration reform and strengthening laws and order.

In the past, the state administration system has actively contributed to the achievement of the renovation. At the same time, it is responsible for weaknesses and shortcomings in its managment. It has not fundamentally reorganized to guarantee its management is put under the new structure, including the mechanism organization, working regulations, and public servants' capacity and quality. Consequently, the administration reform is an urgent task now. Of course, this is a long-term job but in 1993, we must start straight away with practical actions.

The content of our administration reform must aim at administration offices, mainly ministries, ministry-level organs, government offices, people's committees at all levels, and specialized departments at provincial level. The reform must be done in a way to ensure that the administration power is concentrated on the cabinet—which is a highest organ of the administration system—to build an effective and efficient administration and to counter all manifestations of division, departmentalization, localism, and egoism.

The administration system must be a democratic administration which closely works with the public to quickly perform tasks at the people's request and guarantee the government's central power. At the same time, it should develop the dynamism and creativity of the provincial, district, and village governments in dealing with socioeconomic issues in different localities. It must clearly differentiate the management activities of ministries, people's committees, and departments with the business management activities of state-run economic enterprises.

In 1993, on the foundation of the Law on the Organization of the Government, it is necessary to clearly define the responsibility and powers of cabinet ministers as well as that of the governments in provinces and cities under the central government's management, districts, precincts, villages, and subwards. Only by clearly defining the contents of state management at each level and the functions of each public servant can we bring the state management activities onto the right track in order to help the state administration organs stay closer to the infrastructure and the people.

We have to check and eliminate procedures creating unnecessary problems for the public, complete procedures in main activities such as business registration, household registration, document certification, complaints, and so forth. The procedures must be widely published and the officials responsible to render the service must inform the people concerned of all related regulations. Every administration of the state management system must heighten its responsibility in solving socioeconomic issues in its locality. It must quickly eliminate the state of bureacracy, staying away from the public, and bureaucratic behavior which still occur significantly in many administration levels.

The village people's committee, which is the nearest level to the public, needs to understand the situation of every household. It should encourage people to become rich legally, and help to create favorable conditions for stable production for people with hardship in life.

Completing the legal system and establishing laws and order are urgent requirements of state management. In 1993, we must actively check current legal documents, quickly issue documents serving the renovation of the economic management structure, and reform the state mechanism, administration, jurisdiction, as well as the legislation to guarantee citizens' rights and duties and to safeguard the broadening of international cooperation and exchange relations.

We are striving to accelerate the process of our government's legislation work, enhance the legal power, and gradually establish a law-governing Vietnamese State.

'Last Part'

BK1312153192 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 10 Dec 92

["Last part" of Prime Minister Vo Van Kiet's socioeconomic report delivered at the opening of the Ninth National Assembly's Second Session at the Ba Dinh Conference Hall in Hanoi on 9 December 1992—read by announcer]

[Text] The national administration system must be institutionalized and regulated through the administrative law in order to strengthen relations in implementing state management work. Efforts must be made to clearly define specialized administrative work with that of judicial work in order to effectively resolve the people's complaints, conflicts between the people and state agencies, and conflicts between state agencies themselves. It is essential now to establish courts of the administrative sector while striving to train a contingent of honest, competent specialized cadres to carry out the court work. A special wage scale should be applied for these cadres.

In 1993, on the basis of the law on government organization, efforts must be made to clearly define the responsibility and powers of ministers, the local administration, provinces and municipalities directly subordinate to the central government, wards, districts, villages, and subwards. Only by clearly defining the contents of state management at each level and the functions of all state personnel can we bring the state management activities onto the right track in order to help establish a close relationship between state administrative agencies and grass-roots units and the people.

Efforts must be made to check and eliminate procedures creating inconveniences to the people and to also perfect procedures for key tasks such as the registration of businesses, registration of households and the population, certification of documents, complaints, denunciation, and so forth. These procedures must be widely publicized, and the responsible officials are duty bound to help the people understand regulations to be complied with by the state agencies. All administrative echelons of state management must strengthen their responsibility in resolving socioeconomic issues in their localities. They must quickly overcome such negative phenomena as bureacratism and distancing themselves from the people. It is necessary to say that bureaucratism is still prevalent in various administrative echelons. The village people's committees, which have close ties to the people, must strive to firmly grasp the situation of each household and to encourage them to amass wealth in accordance with the law while striving to help create favorable conditions in production and daily life for people still facing difficulties.

Various echelons of the administration, especially those at the district and village levels, must be based on local unique characteristics to formulate orientations to make their localities rich and prosperous. They must formulate measures to exploit the strength and potentials of their zones and to motivate the people's strata to participate in building and developing the socioeconomic development program.

In resolving the shortage of capital, efforts must be made to overcome the habit of relying on the former subsidiary system in which the state provided financial help or special loans. We must formulate orientations to resolve this key issue; first of all we must mobilize the labor force and capital from the local people while striving to engage in joint ventures with other provinces, with overseas Vietnamese, and with foreign corporations.

Perfecting the legal system and establishing order and discipline are the urgent requirements in state management work. In 1993 we must positively review various legal documents; promptly promulgate laws to serve renovation of the economic management mechanism; strive to reform the state mechanism, the administration, the justice sector, and other law enforcement agencies to ensure the citizens' rights and obligations; and promote the broadening of international relations and cooperation. We must strive to speed up our state's legislation process, enhance the effectiveness of our laws, and step-by-step build a law-governed Vietnamese state.

It is necessary to stress more about the struggle to curb and eliminate corruption, smuggling, and waste of public wealth. This struggle is on the one hand aimed at eliminating a social vice of prime concern to the public, while on the other hand it is aimed at establishing order and discipline in economic activities and at purifying and enhancing the efficacy of state apparatuses.

We have talked much about this issue. It is now essential to take consistent and decisive actions to definitely attain significant results in 1993, thereby creating firm confidence in and a strong impetus for the struggle to resolutely eliminate this social vice.

Following a report on the action program of the new government at the first session of the National Assembly held last September, the government has issued a decision on urgent measures with a clear definition of the responsibility and powers of the key leaders of various echelons and sectors in the struggle to curb and eradicate corruption and smuggling. Copies of this decision have been sent to National Assembly deputies for information.

The Political Bureau has also issued a directive to guide party committees in directing and encouraging party organizations, party cadres and members, mass organizations, and the people to actively participate in this struggle.

In 1993 there will be new factors to be developed in order to successfully implement those measures already laid down:

1. The National Assembly and the government should map out a program to enact, amend, and supplement laws, legal documents, and structural policies in order to plug those loopholes being exploited by corrupt officials and smugglers to gnaw away the property, capital, and budget revenue. At the same time, we should supplement stipulations on adjudication and the excecution of court sentences against criminals. We should severely punish the stubborn while being lenient to those who repent and profess their crimes.

2. The new wage system should be implemented along with rearranging the working apparatus and personnel staffing in accordance with the civil service system and public service regulations. This is to contribute to purifying the state apparatus and eliminating all those illegitimate methods of money making which the corrupt have adopted for their personal gains while often claiming that they are working for the well-being of workers and state employees.

3. The party Central Committee's Third Plenum resolution on party renovation and rectification that is being implemented is very instrumental in promoting various party organizations and establishments to increase their indoctrination and management of their party cadres and members and to purge deviant elements from the party, especially corrupt officials and smugglers and those who condone them.

4. State organs will no longer have to use the mental resources and energy at their disposal as much as before in coping with unusual upheavals caused by crises and

inflation because we have clearly defined the responsibility of every sector and echelon in curbing and eradicating corruption and smuggling and have devised a substantive program to carry out this task in a positive and urgent fashion and with a sense of responsibility. Thus, there are grounds for the removal of all skeptical feelings and improvement of the confidence of the entire society in the determination of the party and state, as well as in our ability to carry out this struggle to the end.

The actual results of the struggle to curb and eradicate corruption and smuggling constitute an important economic, political, and psychological factor for the successful implementation of the 1993 tasks as well as for the future growth of the nation.

Dear presidium of this meeting and National Assembly deputies: As 1992 is coming to an end, the government has reviewed its activities and is pleased to note the many improvements it has achieved in its operational guidance. These improvements contributed to the many socioeconomic achievements scored last year.

The government also profoundly realizes that those heavy tasks and important policies to be implemented in 1993 require the government to overcome its weaknesses and shortcomings and further improve its operational leadership skills to promptly meet requirements arising from the bustling life in our country and to be worthy of the people's aspiration and trust.

We confirm that the government will improve its performance of the following important tasks:

—The knowledge and ability to use macro management tools in order to properly carry out state management functions will be constantly improved.
—Mistakes and shortcomings that may hinder the process of switching to the market economy will be avoided.
—Unwarranted interference in trading activities will be avoided more resolutely.
—Guidance for key tasks will be intensified.
—More time will be set aside to make contact with the reality of the localities and establishments concerned.
—Great importance will be attached to and invidual responsibility upheld while developing the collective wisdom of Cabinet members.

The intensifed supervision and assistance given by the National Assembly coupled with the close cooperation given by the fatherland front and other mass organizations will be an important factor for the government in improving its work and satisfactorily fulfilling its mandate.

Not only will the 1993 socioeconomic development tasks discussed and decided by the National Assembly at this second session set the course for various aspects of work, but they will also mobilize and encourage our entire people to uphold their pride and national indomitable tradition by developing what has been gained and promptly seizing new opportunities to quickly advance the country along the path toward renovation and prevail over poverty and backwardness.

We have sufficient grounds to believe that 1993 will mark a vigorous step in the socioeconomic development of our country. Thank you for your attention.

National Assembly's 12 Dec Proceedings Reported

BK1212053492 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 12 Dec 92

[Text] Today, the fourth work day of the Ninth National Assembly's second session, National Assembly deputies met in groups to discuss and exchange views on the prime minister's report, to assess our country's socioeconomic situation in 1992, and to examine the main orientation of and measures for the fulfillment of socioeconomic targets in 1993.

Further on Proceedings

BK1212111492 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 12 Dec 92

[Text] Today, 12 December, the fourth work day of the Ninth National Assembly's Second Session.

In the morning, the deputies in groups discussed socioeconomic, national defense, and state budget issues.

In the afternoon, they met in groups to discuss employment and salary issues.

Tomorrow, the National Assembly will be in recess for the day.

Issues Communique No 3

BK1112152192 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 11 Dec 92

[Communique No. 3 of Ninth National Assembly Second Session—date not given]

[Text] On 11 December, the National Assembly held a plenary session at the Conference Hall under the chairmanship of National Assembly Chairman Nong Duc Manh. The National Assembly heard:

—Foreign Minister Nguyen Manh Cam, on behalf of the government, reporting on the world situation, 1992 foreign relations work, and plan for the coming period.
—Hoang Bich Son, chairman of the National Assembly Foreign Relations Committee, on behalf of his committee, presenting a report on the foreign relations work.
—Nguyen Dinh Loc, minister of justice, on behalf of the government, presenting a report on the draft bill to amend and supplement a number of articles in the criminal code; and on the draft bill to amend and supplement a number of articles in the law on criminal proceedings.

—Nguyen Van Yeu, deputy chairman of the National Assembly Judiciary Committee, on behalf of his committee, reading an investigative report on the draft bill amending and supplementing a number of articles in the criminal code; and the draft bill amending and supplementing a number of articles in the law on criminal proceedings.

—Nguyen Cong Tan, minister of agriculture and food industry, on behalf of the government, reading a report on the draft bill amending and supplementing the law on land.

—Nguyen Van Yeu, deputy chairman of the National Assembly Judiciary Committee, on behalf of his committee, presenting views on the draft bill amending and supplementing the law on land.

—Phung Van Tuu, vice chairman of the National Assembly, on behalf of the National Assembly Standing Committee, reading a report on a 1993 tentative plan for law-building.

—Vu Mao, member of the National Assembly Standing Committee, on behalf of his committee, reading a round-up of the opinions contributed by various National Assembly deputies and a full text of the revised draft of a by-law for National Assembly meetings. The National Assembly deputies contributed their views on this draft by-law.

Sea Transport, Merchant Fleet Service Discussed

BK1312064092 Hanoi VNA in English 0612 GMT 13 Dec 92

[Text] Hanoi VNA Dec. 13—Vietnam's merchant fleet now has nearly 300 seagoing vessels with a total capacity of 790,000 dwt.

Of this figure, the Union of Vietnam Maritime Companies (Gemadept) accounts for 50 vessels operating in three independent companies and three joint-venture companies. Gemadept's vessels which account for more than 60 percent of the country's capacity have an average capacity of nearly 9,300 dwt each and an average life of 20 years. Of the remaining ships, half have a capacity of 1,000 dwt each and only 2.4 percent are ships of 5,000 tons. They are owned by about 50 local martime companies.

Almost all Vietnam's sea-going vessels are small dry cargo and oil vessels. Vietnam has only one container ship called 'hau giang'.

About 95 percent of the maritime freights transported domestically, 20 percent of export freights and 95 percent of chartered freights are carried by ship of Gemadept.

Gemadept is alo managing more than 6,000 metres of wharves which are handling over 85 percent of the seaborne cargoes and 100 [figure as received] percent of the capital goods of the national economy.

Vietnam has entered into cooperation or joint ventures with foreign companies to handle 21 percent of the container and lash freights.

In the next few years, Vietnam's merchant fleet plans to increase containers, lash and special-use ships to meet the growing demands of the export trade in apatite, rice, salt, crude oil, food, anthracite, etc. and for the import of fertilizer, steel and oil.

Australia

Unemployment Rate Rises To Record 11.4 Percent

BK1012012892 Hong Kong AFP in English 0115 GMT 10 Dec 92

[Text] Sydney, Dec 10 (AFP)—Australia's rate of unemployment continued to rise in November, edging up to a record 11.4 percent from the previous month's 11.3 percent, the bureau of statistics reported Thursday.

The bureau said the November jobless rate recorded as rise of 0.1 percentage points to a new post World War II record, with the total number of unemployed people virtually unchanged at 976,900.

The number of unemployed males rose 9,300 to 611,200, up 0.3 percentage points to 12.2 percent, while that of unemployed females fell by 8,900 to 368,600, or down slightly at 10.2 percent.

Youth unemployment for 15 to 19 year olds was 33.2 percent.

Unemployment stood at 10.5 percent in the same month last year.

The November unemployment figures were in line with analysts expectations, with forecasts ranging between 11.3 percent and 11.5 percent.

Macquarie Bank chief foreign exhange dealer Rob Hussler described the figure as "pretty horrific," noting the drop in the number of people actually looking for work belied the real level of unemployment.

"It looks to me like a lot of people have just given up looking for work until after Christmas," he said.

The Australian dollar was fairly steady, easing from 69.30 U.S. cents just before the data release at 11:30 a.m. (0030 GMT) to 69.20 cents.

The bureau said that full-time employment fell by 15,700 to 5,844,600, while part-time employment fell by 62,600 to 1,791,600.

Data showed the number of people seeking full-time work was largely unchanged.

The worst affected state was South Australia with an unemployment rate of 12.2 percent, up from 11.4 percent the previous month, followed by Victoria at 12.1 percent, up from 11.8 percent.

Canberra Ready To Provide Aid for Earthquake Victims

BK1412070092 Melbourne Radio Australia in English 0500 GMT 14 Dec 92

[Text] Australia has said it is ready to provide emergency and long-term aid for victims of the earthquake. The emergency aid includes a planeload of relief supplies valued at A$150,000. Linda Mortrum reports.

[Begin Mortrum recording] Trade and Development Minister John Kerin has announced the aid expressing sympathy to the victims of the quake and assuring the Indonesian Government that Australia is willing to support emergency relief efforts and the longer-term reconstruction efforts. The minister says the planeload of emergency relief supplies including tents, tarpaulins, and water containers is standing by now. The Australian ambassador in Jakarta, Philip Flood, has also allotted $15,000 from the embassy's emergency relief fund to help in one of the worst hit areas and Australia's first secretary for development and cooperation has been dispatched from Jakarta to coordinate in the relief request. [end recording]

Police Seize Marijuana Worth $5 Million

BK1112082692 Melbourne Radio Australia in English 0500 GMT 11 Dec 92

[Text] Police in the northeast of the Australian state of the New South Wales have seized cannabis worth about 5 million dollars in an undercover operation. More than 3,000 plants were seized in the week-long operation involving the State Drug Enforcement Agency and local police. The raids were part of the ongoing program to eradicate the illegal growing of cannabis.

New Zealand

Pacific Island Leader Sir Robert Rex Dies 12 Dec

BK1312051292 Hong Kong AFP in English 0450 GMT 13 Dec 92

[Text] Wellington, Dec 13 (AFP)—Sir Robert Rex, premier of the Pacific Island of Niue, died Saturday, the New Zealand Government said Sunday. He was 83.

Rex became Niue's first premier when the island, east of Tonga, gained internal self-government in 1974. He has sometimes been described as the Pacific's longer-serving statesman.

Niue's 3,000 people are New Zealand citizens and the island has an arrangement with the New Zealand Government which holds responsibility for its defence and foreign relations.

New Zealand Prime Minister Jim Bolger said in a statement Sunday that Niue and the Pacific had lost a great leader, and New Zealand a close friend.

"Sir Robert's passing is a great loss to the people of Niue. He had formidable political skills and was much loved. He will be sorely missed by his colleagues in the South Pacific Forum," Bolger said.

A New Zealand Government statement said Deputy Prime Minister and Foreign Minister Don McKinnon would attend Rex's funeral on Monday.